

Gift Acceptance Policy

Purpose

This Gift Acceptance Policy (**Policy**) outlines the principles and process that Social Ventures Australia Limited (**SVA**) will apply in accepting, or declining, a gift proposed to be made to SVA. Proper management of philanthropic giving is essential for SVA to:

- protect its integrity and reputation and to manage risk
- ensure adequate transparency and accountability to donors
- comply with its obligations as a registered charity and endorsed deductible gift recipient
- meet its obligations to, and manage the expectations of, its stakeholders, both internal and external.

Scope

This Policy applies to:

- all types of philanthropic funders to SVA, including, but not limited to individuals, corporations, trusts and foundations
- all types of 'gifts' to SVA, including but not limited to donations, bequests or endowments of money, real estate, personal property, securities and in-kind (pro bono) services
- all SVA group entities
- all the people who work within the SVA group, whether paid or unpaid, including Board and Board Committee members, Leadership Team members, managers, employees (whether full time, part-time, casual, permanent or temporary), volunteers and contractors.

With the prior approval of the Director, Philanthropy and Partnerships, this Policy may be made available on request to donors for their information, but SVA does not provide legal, tax or financial advice to donors considering making a gift. Donors should be advised to seek independent advice.

This Policy does not apply to the investment of the SVA corpus managed by Credit Suisse AG (or any future replacement investment manager). Instead, the corpus is invested in accordance with the *Investment Framework Guidelines & Controls*, Schedule 1 of which outlines the Socially Responsible Investment: Stock Restriction Screening applied by Credit Suisse to exclude certain stocks from the portfolio.

Principles

SVA is reliant on philanthropic support as a vital part of its funding model and gratefully and respectfully receives donations to support its purpose and activities. However, in some circumstances it may not be in the best interests of SVA to accept an offered gift. This does not necessarily present a problem, so long as the parameters around the acceptance, or decline, of gifts are clear and properly managed.

Accordingly, in determining whether to accept or decline a gift:

- SVA will apply the gift acceptance principles and process outlined in the **Appendix** to this Policy
- Where possible, SVA will act in accordance with the donor's intent, provided that gifts offered are not too difficult or expensive to administer in relation to their value; and
- SVA must comply with its regulatory and contractual obligations.

Responsibilities

Responsibility for fundraising and stewardship of funding received by SVA ultimately rests with the SVA Board. Operationally, the fundraising function is managed by the Partnerships team, with support and input from the Leadership team and the Finance team.

The Director, Philanthropy and Partnerships is accountable to SVA's Leadership Team for managing and maintaining this Policy and will seek input from the Leadership Team where acceptance of a gift raises a potential conflict of interest or it is otherwise proposed to decline a gift.

The Director, Philanthropy and Partnerships will seek advice from the Director, Legal, Risk & Compliance where a gift is in a form other than money, is from a foreign donor, is to fund advocacy activities, involves the law of another country or is otherwise unusual.

Where significant conflicts or compliance issues or ethical questions arise, the Leadership Team will refer the matter to the Finance, Audit & Risk (**FAR**) Committee or the SVA Board as appropriate.

In terms of responsibilities to donors:

- *General:* SVA, its staff and representatives shall endeavour to assist donors in accomplishing their philanthropic objectives in providing support for SVA
- *Confidentiality:* Information concerning all transactions between a donor and SVA shall be held by SVA in strict confidence and may be publicly disclosed only with the permission and written consent of the donor or where legally required
- *Anonymity:* SVA shall respect the wishes of donors wanting to support SVA anonymously and will take reasonable steps to safeguard the donor's identity.

The principles to be applied and procedures to be followed in determining whether to accept a gift are set out in the **Appendix** to this Policy. Staff must read, ensure they understand, and follow these requirements. Any questions may be directed to the Director, Philanthropy and Partnerships or the Director, Legal, Risk & Compliance

Related documents

This policy should be read in conjunction with SVA's:

- Conflict of Interest Policy;
- Privacy Policy;
- Data Breach Response Plan;
- Whistleblower Policy; and
- Delegations Policy.

Published policies can be accessed from Basecamp under [Policies and Procedures](#).

Appendix – Managing the acceptance of gifts

1 Identifying types of gifts SVA may accept

1.1 Gift acceptance principles

Broadly speaking, SVA will accept a gift that:

- is in line with the purpose, vision, values and activities of SVA
- supports either SVA's core operations or particular projects or programs of work
- is not too difficult or expensive to administer in relation to the value of the gift
- if non-monetary, is valued in accordance with ATO requirements
- is anonymous at the request of the donor (but the terms of the donation may still be disclosed as per legal requirements or organisational policies)
- does not create a conflict of interest
- does not have any restrictions or conditions as to the use of the gift that are onerous for SVA to comply with
- does not cause SVA to contravene, or to incur significant obligations under, any State or Federal laws or regulations
- does not expose SVA to undue adverse publicity or reputational risk

Further guidance on the application of some of these principles is provided below.

1.2 Identifying conflicts of interest

A gift may lead to an actual, perceived or potential conflict of interest where the interests of the donor outweigh the interests of SVA, for example;

- the gift is linked to a requirement for SVA to endorse any products, policies or services that might be interpreted as a constraint
- the gift may generate pressure on SVA or its team members to purchase particular goods or services or pursue particular courses of action
- a decision or action serving the immediate interests of an engagement with a donor is at odds with SVA's broader or longer-term interests or objectives.

1.3 Reputational risk

Accepting gifts from donors with questionable or negative track records or reputations, or who are involved in industries or activities that contribute to harm suffered by the individuals and communities that SVA seeks to serve, may cause damage to SVA's reputation simply by association. This may in turn affect the credibility of SVA as an advocate on issues relating to disadvantage and its ability to engage with other potential donors and partners.

Gifts that have reputational risk will be considered on a case-by-case basis. However, gifts from industries, organisations or individuals involved in certain activities may be considered to carry higher reputational risk and accordingly will always be referred to the Leadership Team for further consideration and escalated to the FAR Committee or Board if required. These include:

- tobacco industry
- armaments industry
- alcohol industry
- gambling industry

- adult content providers
- illicit drugs
- persons or entities violating UN Sanctions and UN Security Council Resolutions or are otherwise included on the Consolidated List maintained by the Australian Sanctions Office and published on the Department of Foreign Affairs and Trade's website
- entities repeatedly responsible for human/ labour/ children rights violations, environmental abuses or systemic corruption practices
- others as determined by the Leadership Team or Board from time to time.

1.4 Electoral funding and foreign influence transparency

Because of the complex regulatory regimes around electoral funding and foreign influence, donations from foreign donors and donations to fund advocacy activities must be reviewed by the Director, Philanthropy and Partnerships with input from the Director, Legal, Risk & Compliance and Director, Public Affairs before being accepted.

1.5 Tax-deductible gifts

SVA is listed by name as a Deductible Gift Recipient (**DGR**) in Item 1 of section 30-15 of the *Income Tax Assessment Act 1997* (Cth). Donations to SVA that meet the ATO requirements for a 'gift' are therefore tax deductible for donors that are Australian taxpayers.

SVA's DGR special listing is subject to the condition that *any tax-deductible funds raised through SVA will only be able to be distributed to other DGRs*. The effect of the condition is that a 'pass-through' to another organisation of tax-deductible funding received by SVA is only possible if the recipient organisation itself has DGR status.

Advice should be sought from the Director, Legal, Risk & Compliance before SVA accepts any tax-deductible gift that the donor wishes to be distributed, in whole or part, to another organisation.

1.6 Conditions or restrictions on the use of gifts

If a proposed bequest, endowment or (subject to the comments below) gift *accepted* by SVA comes with conditions, then SVA must comply with those conditions. By accepting a bequest or the benefit of an endowment, SVA is entering into a contract with the donor or the estate of the donor.

However, conditions may impact the tax status of a gift – for example, whether it attracts GST or the donor can claim a tax deduction. The ATO defines a 'gift' as a voluntary payment where the payer receives no material benefit and considers that a payment is not 'voluntary' when there is an obligation to make the payment or the recipient NFP organisation is contractually obliged to use the payment in a specific way.

Accordingly, to satisfy ATO definitions of a 'gift', preferences for use of the donation can be expressed by the donor but cannot be mandated. Nevertheless, SVA will always seek to apply a (tax deductible) gift in accordance with the donor's preferences but has the discretion to apply the gift for another purpose if the original purpose of the gift no longer meets the needs or serves the purposes of SVA.

2 Process to review gifts

2.1 Initial review

All proposed gifts will be reviewed by a member of the Philanthropy and Partnerships team to ensure that the gift satisfies the gift acceptance principles outlined above (including to identify any potential conflicts of interest or reputational risks), with consultation with the Director, Philanthropy and Partnerships as required.

The Director, Philanthropy and Partnerships will:

- seek input from the Leadership Team where acceptance of a gift raises a potential conflict of interest or reputational risk or it is otherwise proposed to decline a gift.
- seek advice from Director, Legal, Risk & Compliance where a gift is in a form other than money, is from a foreign donor, is to fund advocacy activities, involves the law of another country or is otherwise unusual.

Where significant conflicts or compliance issues or ethical questions arise, the Leadership Team will refer the matter to the FAR Committee or the SVA Board as appropriate.

If the gift acceptance principles are satisfied and there are no legal or compliance issues, certain gifts will then generally be accepted without further review, while some types of gifts will be subject to additional review as outlined below.

The Philanthropy and Partnerships Team will maintain a register or other record of instances where a gift has been considered by the Leadership Team by reference to the gift acceptance principles. This will build a body of examples over time of where this policy has been applied, which will in turn help guide the application of the policy.

2.2 Gift types generally accepted without further review

Cash

Cash gifts are acceptable in any form, including by direct debit, cheque, money order, credit card, or online.

Marketable securities

Marketable securities (eg. shares) may be transferred electronically to an account maintained by SVA at a brokerage firm or delivered physically with the appropriate transfer form executed by the transferor. All marketable securities will be sold promptly upon receipt unless otherwise directed by SVA's FAR Committee.

Bequests, endowments and other planned giving vehicles

For clarity:

- A *bequest* is a sum of money or an asset that is given upon the owner's death as specified in the owner's will. The bequest can be given 'freely', which means that SVA may choose to deal with it as it sees fit, or it can be given with conditions, which must be honoured.
- An *endowment* is normally a fund (amount of money) which is established to provide an income for beneficiaries - SVA can be the sole or one of several beneficiaries. The fund is usually invested in perpetuity, which means there is no time limit for its end. Only the income is distributed, not the original capital amount. So, the endowment fund will be set up with a sum of money, and this money is then invested by the trustees (managers) of the fund, and a dividend or a distribution is paid to those beneficiaries under the terms of the fund.

Donors are encouraged to make bequests to SVA under their wills, and to name SVA as the beneficiary under trusts, endowments, life insurance policies, commercial annuities and retirement plans. All funds generated from planned giving will be deposited into the SVA corpus. Note, SVA must not agree to act as an executor of an estate or as trustee of a donor's living or testamentary trust.

2.3 Gift types subject to further review

Tangible personal property

The Leadership Team will review and determine whether to accept any gifts of tangible personal property in light of the following considerations:

- Does the property further SVA's purposes?
- Is the property readily marketable?
- Are there any unacceptable restrictions imposed on the property?
- Are there any carrying costs for the property for which SVA may be responsible?
- Is the title/provenance of the property clear?

Life Insurance

Following review, SVA will accept gifts of life insurance where SVA is named as both beneficiary and irrevocable owner of the insurance policy. The donor must agree to pay, before due, any future premium payments owing on the policy.

Real Estate

All gifts of real estate are subject to review by the FAR Committee. Prior to accepting any gift of real estate other than a personal residence, SVA shall require an initial environmental review by a qualified environmental firm. Criteria for acceptance of gifts of real estate include:

- Is the property useful for SVA's purposes?
- Is the property readily marketable?
- Are there covenants, conditions, restrictions, reservations, easements, encumbrances or other limitations associated with the property?
- Are there carrying costs (including insurance, property taxes, mortgages, council rates or the like) or maintenance expenses associated with the property?
- Does the environmental review indicate that the property is damaged or requires remediation?

3 Ethical fundraising conduct

If SVA engages a paid fundraiser, the fundraiser must be paid a salary or fee for service but not paid a commission/ finder's fee and must comply with applicable industry codes of conduct.

Fundraisers are to be provided adequate training and must not target vulnerable people for donations.

4 Unacceptable gifts

There is no legal requirement to accept a gift, bequest or endowment and SVA reserves the right to refuse any gift at any time. If SVA determines that it is unable to accept a gift, the Philanthropy and Partnerships relationship manager or Director, Philanthropy and Partnerships will inform the donor immediately.

If SVA has already received the gift, it will return it to the donor immediately. SVA will bear the cost of returning the donation.

If SVA subsequently becomes aware of information or an event occurs after a gift has been accepted that would have caused SVA to decline the gift, it may in its discretion return the gift – for example, a donor is convicted of a serious criminal offence that may attract adverse media attention. Any decision to return a gift in these circumstances would only be made after consultation with the Leadership Team and the FAR Committee or Board as appropriate.

5 Documenting and recording gifts

5.1 Documentation for gifts

Once SVA decides to accept a gift, it will generally ensure that any donor requirements in relation to the gift are formally documented in:

- a letter confirming acceptance of the gift; or
- a will in the instance of a bequest.

5.2 Receipting gifts

SVA is listed by name as a Deductible Gift Recipient (DGR) in Item 1 of section 30-15 of the *Income Tax Assessment Act 1997* (Cth). Therefore, donations to SVA that meet the ATO's requirements for a 'gift' are tax deductible. Gift receipts for such gifts will be issued by the Finance team in accordance with the ATO's requirements, as well as the public fund requirements in rule 32 of SVA's Constitution.

Even if not the gift is tax deductible, a receipt will be issued by the Finance team but may differ in its form to a DGR receipt.

6 Donor Recognition

SVA may on recommendation from the Philanthropy and Partnerships Team, establish criteria for the recognition and honouring of a donor and/or sponsor with certain honours or benefits based on various giving levels achieved by a donor and/or sponsor and the type of gift. These honours or benefits may include acknowledgement of the donor's and/or sponsor's name and/or the opportunity to receive invitations to donor recognition events.

Authorisation and Document Control

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