



RVC Ethical Principles for the acceptance of gifts

1. Purpose of these Principles

1.1 The purpose of this document is to provide guidance to Royal Veterinary College (RVC) employees on considerations that must be given when seeking or receiving philanthropic support of more than £5,000 from individuals, charitable bodies (including grant making trusts), companies, clubs, groups and associations.

1.2 The ultimate responsibility in respect of the acceptance or refusal of all donations rests with the RVC Council.¹ As such these principles represent the steps that RVC employees must take to support them in this responsibility.

1.3 'Gifts' includes donations or pledges of cash, shares, stock, property, influence and professional advice, including legacies.

1.4 All philanthropic donations to the RVC or its charity the Animal Care Trust should be referred to the Fundraising Team (FT)

2. Ethical Considerations

2.1 When selecting potential funders, RVC staff should seek out those whose interests are aligned with our values, strategic goals and financial needs. Donations should not bring about more than reasonable costs related to the value of the donation.²

2.2 It is vital that the RVC retains its impartiality and integrity; this must be clearly understood and accepted by all parties involved with a philanthropic gift. The RVC should retain its standard procedures relating to admissions, hiring, promotion, procurement, provision of scholarships and bursaries, management, governance, research and the provision of clinical services.

2.3 A donation should not be accepted if in any way it could be considered a bribe – donations must not induce conduct that amounts to a breach of an expectation that a person will act in good faith, impartially or in accordance with a position of trust or that there is an intention that a donation will influence an official in his official role and secure business or a business advantage.³

2.4 Council members and senior staff should not derive a personal benefit (individually or collectively) from donations, loans or other material support offered to the RVC. Where material benefit is tied to support, the support, the benefit or both must be declined.⁴

3. Anonymous Gifts (unsolicited)

3.1 Where an anonymous gift of >£5k is received:

- The donation may be accepted but RVC staff should carry out a basic investigation in order to uncover the source whilst maintaining the privacy and confidentiality of the donor.

¹ Institute of Fundraising – Code of Practice – Acceptance and Refusal of donations

² International Statement of Ethical Principles in Fundraising (Institute of Fundraising)

³ Bribery Act 2010

⁴ Institute of Fundraising - Acceptance and Refusal of donations

- If the donation is made via a third party the RVC should seek confirmation from that third party that the donor is legitimate and their support if publicised would not affect the impartiality, integrity or reputation of the RVC.
- Where it is not possible to uncover the source of a donation, it will be processed but a permanent record of the individual donation will be kept along with all relevant documentation
- The RVC must comply with the Proceeds of Crime Act 2002 (POCA 2002), the Terrorism Act 2000 (TA 2000) and the Money Laundering Regulations 2007 (MLR2007).

4. Solicited Gifts

4.1 When a prospective donor (of >£5k) is identified, the full ramifications of aligning the RVC with the individual or organisation must be considered by the FT before approaching the prospect. This consideration should include a due diligence assessment to consider:

- The background, status and reputation of the prospect including the source of their wealth (The RVC must avoid giving respectability to those whose reputation is doubtful⁵). For companies, recent accounts should be assessed by a member of the Finance Team
- Any compliance measures, conditions or requirements that may be attached to a gift.
- Any relationship between the individual/organisation and a member of RVC staff or an RVC student that could amount to a conflict of interest.
- The project being proposed for funding must be strategically important to the RVC and must not originate from the priorities of the funder.
- Where philanthropic funding is sought for research, the gift must be made without conditions as to the outcome

If ethical issues are raised by the FT and are deemed to be of sufficient concern, these must be presented to the Principal for consideration before progress is made. The Principal may subsequently confer with the Council (please see Section 9 below).

4.2 For prospective donors being approached for more than £5k, a due diligence assessment should be carried out and a written agreement should be drafted outlining the details of the proposed arrangement including:

- What the gift will be used for
- How the RVC will steward the gift
- The benefits to the donor and their rights in relation to the donation (for example, recognition opportunities, what would happen if the project was abandoned etc)

This written agreement should be discussed and agreed with the donor before the gift is made unless the prospect is a grant-making Trust with an established application process. This agreement may take the form of an exchange of correspondence rather than a separate legal document. It must be established that a relationship with the prospect would not create a risk to the RVC's activities, beneficiaries, property, work or reputation.⁶

5. Unsolicited gifts >£5k – not anonymous

5.1 If an unsolicited gift of more than £5k is received, once the identity of the donor has been established the FT should carry out a due diligence assessment to confirm that acceptance of the donation:

- Would not be likely to bring the RVC into disrepute

⁵ P60 Woolf Inquiry into LSE's acceptance of Gaddafi donation.

⁶ Institute of Fundraising – Major Donors Code of Practice 8.1

- Would not affect the RVC's impartiality
- Would not put an unacceptable burden on the RVC in relation to any accompanying terms or conditions
- Would not compromise an RVC member of staff or student or call into question their role or reputation.

5.2 The RVC would not accept a major donation from:

- A current or prospective student or a donation made on their behalf should this donation be made with any condition which question the impartiality of the RVC or its staff.
- A person who clearly appears to be vulnerable or incapacitated unless their donation is part of an ongoing giving pattern or has been approved by a responsible adult (eg a spouse) or power of attorney. Funds received under such circumstances may subsequently be determined by a court to be refundable and so consideration must be given to this issue when determining how the funds should be spent.
- A known criminal who the RVC reasonably suspects is donating the proceeds of crime or terrorism⁷. In these circumstances, the police must be informed immediately.

5.3 All non-legacy gifts >£100k must be referred to the ACT Management Committee or RVC Endowments Committee for approval and if concerns are raised the donation will in turn be referred to RVC Council for approval or rejection.

6. Conditions of donation

6.1 A donation must not be accepted if it is made with conditions that the RVC is not able legally or practically to fulfil.⁸ Examples would include:

- any condition linked to the support that is contrary to the objects of the RVC
- any condition linked to the support is regarded as unreasonable or impractical in relation to the nature of the support in terms of its size or impact on the work of the RVC
- any condition which places an unjustifiable and unsustainable cost-burden on the RVC

Any specified reporting requirements must be able to be complied with and must be complied with.

6.2 If a donor wishes to make their gift in a way that requires the RVC to act in a way that is unusual or complicated, RVC ought to seek professional advice to discover:

- Whether the arrangement is one that must be disclosed to the tax authorities; and
- If so, whether it is the donor, or the RVC that is under an obligation to make the disclosure.⁹

Accepting a donation when it is known to be part of a tax evasion scheme is usually a criminal offence.

7. Returning or refusing donations

7.1 In order to pre-empt possible disputes and/or negative publicity in complex or potentially difficult cases, the RVC may wish to apply to the Charity Commission for an order authorising it to refuse a donation. Circumstances where such an order might be of particular benefit are those where:

- it is not immediately clear what the 'best interests of the charity' are in relation to the proposed donation;
- large sums of money or property are involved;

⁷ Proceeds of Crime Act 2002 and Terrorism Act 2000

⁸ Institute of Fundraising – Major Donors Code of Practice 5.1

⁹ Institute of Fundraising – Major Donors Code of Practice 8.7

- the trustees have reason to believe that a decision taken by them might be subsequently challenged in the courts; and
- the trustees wish to use the 'authority' of a Charity Commission order to mitigate against the threat of negative publicity engendered by the refusal of a donation.

7.2 Once the RVC has accepted a donation, under law it can only be returned if:

- the terms and conditions of the gift provide for it to be returned in certain circumstances
- the law specifically provides for the gift to be returned in particular circumstances or
- by way of an ex-gratia payment – under s27 Charities Act 1993 trustees can seek authorisation from the Charity Commission to return a donation where they regard themselves as being under a moral obligation to do so

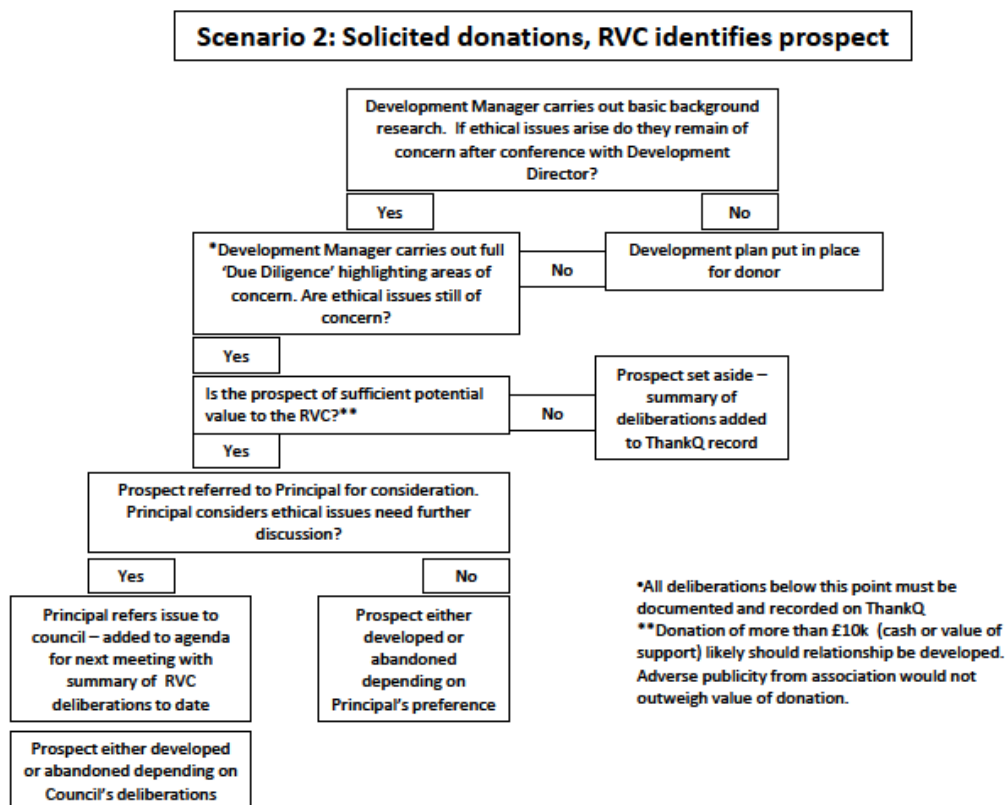
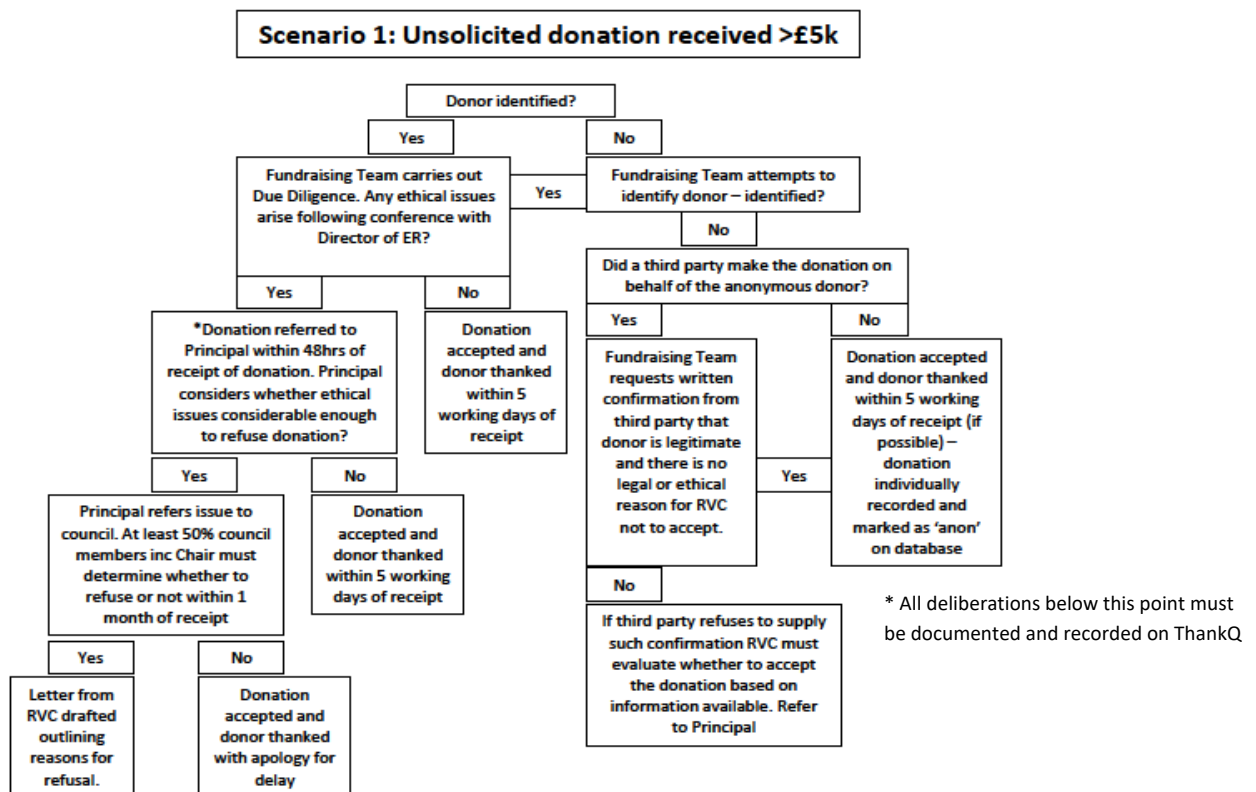
8. Procedure should ethical considerations be raised by the Development Office (unsolicited donations)

8.1 If an ethical query is to be passed to the Principal or subsequently to Council, the following information must be supplied:

- A full history of the query with notes of all communications
- Background research into the donor
- An outline of the ethical issues to be evaluated

This information should be passed to the Principal or Council Members with a reasonable period of time for review before a decision is required.

9. Ethics Procedure – flowcharts



Appendix 1

Gifts of shares

Where the College or the Animal Care Trust are given a donation of shares, those worth less than £20k on the day of receipt should be sold and the proceeds applied to the relevant area of work (if a restriction applies) or to general College funds. Shares valued at more than £20k should be referred to the Finance and General Purposes Committee before sale to consider whether it would be appropriate to retain them.