

1. Purpose

- 1.1. This document sets out the School's policy for the acceptance of donations. It is intended for the School community and for prospective donors and their advisers, providing assurance that all donors are treated equitably. It is not intended to cover gifts and hospitality offered to individual members of the School which are the subject of a separate policy.
- 1.2 LSE actively encourages philanthropic support, in line with its charitable status, and views increasing such support as a key element in being able to fulfil its mission.

2. Context

- 2.1. The London School of Economics and Political Science (LSE) holds the dual status of a company limited by guarantee under the Companies Act 1985 and an exempt charity under Schedule 3 of the Charities Act 2011. Members of the LSE Council, the governing body of the university, are the charity trustees. In principle, trustees of a charity are expected to accept money given to that charity for purposes consistent with the charity objects, but the trustees have discretion to consider other factors relevant to the charity's best interests.
- 2.2. In addition, the UK Bribery Act 2010 requires the institution to ensure that the receipt of a donation is not related to some inappropriate advantage that be afforded to the donor, such as the offer of a university place for a close relative or the award of a contract. Other relevant legislation includes the Proceeds of Crime Act 2002, the Terrorism Act 2000 and the Money Laundering Regulations 2007 under which it is an offence to receive, retain or convert money or property known or reasonably suspected to be the product of criminal activity.
- 2.3. The School's Ethics Code provides a set of principles by which the whole LSE

community are expected to act and to take into account when making decisions at all levels of the School. All fundraising activities should be conducted in line with the principles set out in the Ethics Code and the Ethics Code Guidance.

3. Definitions and scope

- 3.1. This policy applies to all philanthropic donations received by LSE and its subsidiaries. A donation, or gift, is a voluntary transfer of money by an individual or organisation, made with philanthropic intent for the benefit of the institution.
- 3.2. LSE actively seeks and can accept donations from the following sources in accordance with this policy:
 - Donations from individuals in the UK and overseas
 - Grants from charitable trusts and foundations in the UK and overseas
 - Donations from companies in the UK and overseas
 - Donations from legacy bequests
 - Grants from overseas governments or their agencies and foundations

4. Acceptance Principles

- 4.1 Donations are accepted and held by LSE in accordance with its Financial Regulations, which are formulated and monitored by the Finance and Estates Committee of Council.
- 4.2 In considering the acceptance of any donation, LSE will consider if the donation is compatible with the purposes and goals outlined in its Memorandum and Articles of Association, all relevant legislation and LSE policies and regulations.
- 4.3 LSE will not accept donations where the sources, or naming of a gift fall short of the standards determined through the procedures for the ethical review of grants and donations, where:
 - The funds may have been illegally or unethically obtained
 - Acceptance may damage the reputation of LSE
- 4.4 LSE will not accept donations which compromise the independence of LSE. Examples include but are not limited to gifts that:
 - Intend to influence the application of the School's selection criteria for admissions
 - Intend to affect the academic record of any current or future students or have bearing on any dispute between a student and the School about the outcome of his/her programme of study
 - Intend to influence the conferral of any academic or non-academic privilege, benefit or undue advantage upon any currently registered or future student
 - Limit LSE's academic freedom or its capacity to operate independently
 - Give rise to an unacceptable conflict of interests
- 4.5 LSE will not accept donations which are counter to LSE's interests. Examples include but are not limited to gifts that:
 - Do not further or are in conflict with the LSE's mission and/or values

- Are too difficult or expensive to administer or could create unacceptable liability or future expense
- Fail to meet the requirements of the Equalities Act 2010
- Violate the terms of this policy or other School policies or regulations approved by LSE Council

- 4.6 LSE will not accept donations from registered students or known close relatives (parents, spouses, legal partners, children, grandparents, step-parents and former or current legal guardians) of registered students under the following circumstances:
- Where the donation supports the Department, or an affiliated Department or Unit, within which the student is registered
 - Where any naming recognition is proposed, whilst the student is registered
 - Where accepting the donation would be harmful or detrimental to the student or reputation of the School

5. Approach, Negotiation and Acceptance Practices

5.1 General

- 5.1.1 All philanthropic donations must be coordinated through LSE Advancement in order for the School to meet its legal obligations as a charity, to protect donor rights and expectations and to manage conflicting requests from different parts of LSE. LSE Advancement must therefore be informed, in accordance with the procedures for the Ethical Review of Grants and Donations, of an intended approach to a donor before it is made, or of any approaches from a donor which have been made to any member, department or other academic unit or any division within the School as soon as possible after the approach has been made.
- 5.1.2 Funding proposals will be subject to approval under the Pricing and Costing Procedure of Finance Division and wider donations purpose approval procedure prior to the proposal being accepted by the donor. Advancement should consult Research and Innovation or Finance Division early on in any negotiations to improve the likelihood of approval being obtained.
- 5.1.3 Funding proposals for £5,000,000 and above will automatically be referred to the School Management Committee for approval. In attendance of School Management Committee meetings, the Director of Advancement will refer other proposals for major new initiatives, or other criteria as agreed with the School Management Committee, for consideration and approval.

5.2 Ethical Review and Independence

- 5.2.1 All donations with which there are ethical concerns or which have a value above the thresholds set under LSE's Procedures for Ethical Review of Grants and Donations will be subject to due diligence or review under those procedures. With respect to donors that pose potentially high ethical or reputational risks, approval must be obtained prior to a proposal for a donation being submitted to the potential donor, or when a donor approaches the School before negotiations with the donor can continue. In all other

cases, approval must be obtained to continue negotiations as soon as it becomes clear that a donation will be made, or to continue negotiations if issues arise during the course of negotiations which give rise to ethical concerns. Approval must always be obtained prior to acceptance of a donation by the School.

- 5.2.2 Naming rights in recognition of a donor, a third party or in memoriam are also subject to due diligence under the Procedures for Ethical Review of Grants and Donations in the same way as donations as set out in above in 5.2.1.
- 5.2.3 All donations from LSE-related overseas charities are subject to due diligence under the Procedures for Ethical Review of Grants and Donations in the same way as donations as set out in above in 5.2.1 and 5.2.2.
- 5.2.4 Advancement will cease contact with potential and existing donors where:
 - a) Any donor offers a donation in relation to an application.
 - b) The donor is known to be an applicant or close relative (defined at 4.6) of an applicant, during the time their application is being considered.
 - c) The donor is known to be a parent or guardian of an individual that may apply to a UK University for undergraduate study within 18 months.

Contact will only be resumed once place offers have been made.

- 5.2.2 Advancement will encourage and advise that acceptable donations from parents or close relatives support unrestricted School funds.
- 5.2.3 Donors are not permitted to participate in the selection of appointments to any positions within LSE, paid or unpaid, including those to which they have donated or which are associated with projects which they have funded.

5.3 Naming Recognition

- 5.3.1 In addition to approval under the Procedures for the Ethical Review of Grants and Donations, proposed donations which involve naming will be subject to levels of approval as follows before the funding announcement becomes public:
 - a) The naming of any LSE department, institute, centre, building or grounds as part of a donor agreement will be subject to review and approval from LSE Council on advice of the School Management Committee in consultation with the Secretary
 - b) The naming of portions of an LSE building or a class room, seminar room or lecture theatre, as part of a donor agreement, will be subject to review and approval from the School Management Committee, in consultation with the Secretary.
 - c) The naming of a Professorship, Chair or any other academic position as part of a donor agreement will be subject to review and approval from the School Management Committee in consultation with the Secretary and the Head of Department in which the academic position is to be located
 - d) The naming of a scholarship, fellowship, award, prize or bursary as part of a donor agreement will be subject to review and approval from the School Secretary and the Head of the relevant department.
 - e) The naming of plaques requires approval from the School Secretary.
- 5.3.2 Naming may be withdrawn by action of LSE Council where subsequent concerns arise regarding the source of the funding or the individual or organisation named

- 5.4 If it appears that a proposed donation may violate one of above or the principles at section 4 of this policy, the member of staff soliciting or negotiating the donation on behalf of the School must bring it to the attention of the Director of Advancement to determine further action. Further action may include referral to the Directorate and/or the Ethics (Grants and Donations) Panel for decision.

6. Bequests and gift restrictions

- 6.1 LSE welcomes notification by donors that they have included LSE in their wills or estate plans, records this information confidentially in its Advancement database, and honours their generous intentions with an invitation to membership of the LSE Legacy Circle.
- 6.2 Unrestricted gifts, such as those received through the LSE Regular Giving programme, are extremely valuable to LSE and are allocated to School purposes at the discretion of the School Management Committee, subject to approval by the Finance and Estates Committee of Council.
- 6.3 In appreciation of substantial philanthropic support, LSE may accept restricted donations with specific restrictions to a particular department or unit, area or course of study, or eligibility for bursaries or scholarships.
- 6.4 However, restrictions should fit within the mission of the School and must comply with equalities legislation and School policies.
- 6.5 Restricted donations are subject to the approval of the School Management Committee in consultation with the Secretary as at 5.1.3 above. Head of Department approval and acknowledgement should also be sought for any donation restricted for use within his or her department (eg. professorships, chairs and academic positions.)
- 6.6 Donations in support of research (including knowledge engagement and impact) must be agreed and approved by the Pro Director of Research and the Director of the Research Division.

7. Gift agreements

- 7.1 A written gift agreement is required for all charitable contributions or pledges to LSE which are not given for LSE Regular Giving purposes.
- 7.2 All gift agreements provided to donors by LSE should be in the form of templates which are available from LSE Advancement and agreed by the Secretary's Division.
- 7.3 Gift Agreements must include the details of the gift, the project to be supported (if restricted), fulfilment schedule, naming rights (if applicable), relevant stewardship information and principle statements on academic freedom, including but not limited to statements affirming no donor involvement in decisions on recruitment, student admissions and the award of degrees.
- 7.4 Gift agreements for endowment must include a standard clause reserving the authority of the LSE Council to change the use or purpose of the donation when its object is no

longer viable at LSE. For example, where LSE no longer offers a course for which a restriction has been accepted.

- 7.5 Restrictions related to the use or purpose of a donation should be written as intentions or preferences to allow LSE the greatest latitude in ensuring future use. When that is not possible, the agreement should reserve the authority of Council to change the use or purpose of the donation as circumstances change.

8. Gift processing and acknowledgement

- 8.1 All donations to LSE (excluding research grants) must be processed and recorded confidentially by LSE Advancement to ensure compliance with this policy.
- 8.2 LSE may accept the following types of asset as a donation:
- Cash
 - Securities - stocks and bonds (by agreement with the LSE Finance Director or Financial Controller)
 - Property and other real estate (by agreement with the Director of LSE Estates Division)
 - Personal property which is to be sold (by agreement with the LSE Finance Director or Financial Controller)
- 8.3 LSE may accept donations of personal property, including intellectual property, by agreement of the School Management Committee and the appropriate department or division of LSE which will take receipt of the donation, including the Library where relevant. Examples may include: works of art, software licenses and computer hardware.
- 8.4 The definition of works of art for the purpose of this policy includes paintings, photographs, sculpture, artefacts, textiles, antique and bespoke furniture, ceramics, silverware, digital art works and onsite installations. Donations to LSE of works of art may be subject to additional LSE procedures for determining acceptance. Donors and staff should consult with the LSE Archivist.
- 8.5 All non-cash donations will be counted and credited to the donor at a fair market value. In the case of artworks it is the responsibility of the donor to obtain a valuation.
- 8.6 A donor's right to remain anonymous externally will be maintained, but full details will be recorded by Advancement within the School's donations database and this policy will apply. A gift will only be accepted where the identity of the donor is provided.
- 8.7 All donors and bequest intentions will receive appropriate acknowledgement and recognition for their pledges and gifts, as well as assurance that their gift is used for the purposes designated.

9. Legal or financial advice

- 9.1 LSE does not provide legal advice or financial planning services for donors. Prospective donors should seek the assistance of their own legal and financial advisors in matters relating to donations and to tax and estate planning consequences.

- 9.2 To avoid conflicts of interest or the appearance of improper influence, LSE will not pay legal or other fees for the preparation of a donor's will or other documents which name LSE as a beneficiary.

10. Roles and Responsibilities

- 10.1 LSE Council has overall responsibility for this policy including the specific responsibilities set out herein.
- 10.2 Ethics Management Group is responsible for the School's ethical framework and ensuring the Ethics Code and Guidance is embedded in the life and work of the School through the plans, policies, procedures, guidelines and other documents which govern and inform the conduct of the business of the School.
- 10.3 Ethics (Grants and Donations) Panel is responsible for deciding whether the sources of funding coming in to the School via prospective grants or donations referred to it are ethically acceptable as set out in 5.2.
- 10.4 The School Management Committee is responsible for determining naming opportunities as set out in 5.3 and for determining action as set out in 5.1, 6.2, 6.5 and 8.2.
- 10.5 The School Secretary is responsible for approving naming as set out in 5.3 and for agreeing to and signing gift agreements in accordance with the Scheme of Delegated Legal Authority.
- 10.6 LSE Advancement is responsible for:
- Managing the shared interests of donors and the School in conjunction with this policy
 - Co-ordinating procedures for ethical review and recording decisions in central LSE database systems
 - Constructing and advising on gift agreements, including templates for agreements, on the advice of the School Secretary
 - Liaising with the Directorate, School Secretary, Departments or other academic units and divisions as appropriate in the course of negotiating agreements where relevant
 - Processing donations and recording these in central LSE database systems, in accordance with Financial Regulations

Review schedule

Review interval	Next review due by	Next review start
3 years	March 2022	October 2021

Version history

Version	Date	Approved by	Notes
1.0	2014	Council	(First Draft)
2.0	June 2016	Council	(Final Policy)
3.0	November 2016	Council	(Amendment)
4.0	October 2018	SMC	(Amendment)
4.0	February 2019	Ethics Committee	(Amendment)

Links

Reference	Link
Acquisition and Management of Artworks Policy	http://www.lse.ac.uk/intranet/LSEServices/policies/pdfs/school/artPol.pdf
The Ethics Code	http://www.lse.ac.uk/intranet/LSEServices/policies/pdfs/school/ethCod.pdf
The Ethics Code Guidance	http://www.lse.ac.uk/intranet/LSEServices/ethics/ethics-images/EthicsCodeGuidance2014v2xx.pdf
Procedure for the ethical Review of grants and donations	https://info.lse.ac.uk/staff/services/Policies-and-procedures/Assets/Documents/proEthScr.pdf
Financial Regulations	http://www.lse.ac.uk/intranet/LSEServices/financeDivision/Financial%20Regulations.aspx
Policy Against Bribery and Fraud	http://www.lse.ac.uk/intranet/LSEServices/policies/pdfs/school/fraPol.pdf
Scheme of Delegated Legal Authority	https://info.lse.ac.uk/staff/services/Policies-and-procedures/Assets/Documents/schDellLegAut.pdf

Contacts

Position	Name	Email	Notes
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Communications and Training

Will this document be publicised through Internal Communications?	Yes
Will training needs arise from this policy	Yes
If Yes, please give details Advancement staff training on responsibilities in relation to the Policy School-wide training on main tenets of the Policy.	