

### 1. Scope and aims of the policy

This policy covers Royal Holloway’s approach to the disbursement of charitable gifts raised by the Development Office.

The aims of the policy are to ensure i) that gifts are spent in accordance with the wishes of donors and ii) that they have a positive impact upon the life and work of the College. As such, an effective disbursement policy and process has an important role to play in encouraging the creation of a culture of philanthropic giving to Royal Holloway.

The policy covers the following types of gift:

Type	Detail	Example
Restricted	A donation made by a donor for a specific purpose.	- £15,000 pa for 3 years to fund a PhD studentship in the Department of History - A legacy of £100k to support the Department of Earth Sciences.
Semi-restricted	A donation made to a particular ‘Fund’.	There are a number of such Funds within the College, the aims of which are to provide broad, unspecified support, for specific areas such as Sports Development and the Department of Music. See Appendix for full list of semi-restricted funds. These funds have been identified by the College and reflect areas of need.
Unrestricted	A donation made to ‘the College’ with the donor providing no guidance on how it should be used.	Typically generated via the Alumni Fund and sometimes through legacies.

### 2. Principles

The following principles will guide decisions on disbursement:

- i) The funds will be spent on areas of work that align with the College’s strategic plan.
- ii) The projects or activities funded will not need to rely on fundraising or on central College to cover their ongoing costs.
- iii) The relevant Dean will have been involved according to the process set out below.

### 3. Decision-making process

Disbursement of funds according to this policy will be the responsibility of the Fundraising and Development Strategy Committee, supported by the Development Office. The timing of disbursements is designed to align, as far as is practical, with outcomes of the College’s annual planning and budgeting cycle.

4. Responsibilities of the Fundraising and Development Strategy Committee (FDSC)
  - 4.1. To recommend approval of this policy to Policy and Resources Committee and to review it every three years.
  - 4.2. To receive an annual report on funds disbursed and raised, year to date, in May each year.
  - 4.3. To make decisions on the disbursement of funds going forward as presented by the Development Office, according to the principles of disbursement above and the schedules set out below.
5. Responsibilities of the Development Office
  - 5.1. To disburse funds in accordance with the disbursement policy and process. This includes presenting proposals for disbursement and implementing any decisions made.
  - 5.2. To provide an annual report on funds disbursed to the FDSC and to raise any queries or issues with the Committee as they arise.
  - 5.3. To ensure financial information about allocation of disbursed funds is properly maintained.
  - 5.4. To provide feedback to donors on how the funds have been spent.
6. Responsibilities of departments in receipt of donations (hereafter known as 'beneficiaries'):
  - 6.1. To sign a 'Beneficiary Agreement' detailing the terms of the gift and the reporting requirements.
  - 6.2. To spend the funds within the terms of the gift and fulfil reporting requirements to enable the Development Office to report back to the donor, ensuring that financial information on expenditure is properly maintained.
  - 6.3. To return any unspent funds to the Development Office.
7. Timing of discussion around Disbursement
  - 7.1. It is proposed that recommendations for disbursement of funds raised in the previous year be held in May each year, with funds to be disbursed from the start of the new term in September.
  - 7.2. This will enable discussions around funding to be informed by the outcomes of the planning round and so help ensure that disbursement enhances those areas deemed to be the most important.
  - 7.3. For 2015/16 it is proposed that recommendations for disbursement be provided in July 2015 for implementation in September 2015/16. Recommendations for disbursement in 2016/17 will be made in May 2016 and in each May going forward.
8. Process for Disbursement of Gifts
  - 8.1. Restricted Gifts

- 8.1.1. When a donation for a specific purpose has been received the Development Office will issue a 'Beneficiary Agreement' to the proposed recipient (typically an individual academic or academic/administrative department). When this has been agreed and signed (and copied to the Dean) the donation will be disbursed by the Development Office in accordance with the written gift agreement with the donor (mandatory for all gifts in excess of £25,000).
- 8.1.2. The Development Director (DD) will provide an annual update report to FDSC each May detailing funds disbursed.
- 8.1.3. The DD will make recommendations on how to deal with any issues arising from disbursement (for example; unspent funds, difficulties in appointing to donor-funded scholarships etc.) for discussion at the next FDSC.
- 8.1.4. In the case of restricted legacies, the DD is authorised to disburse legacies of up to £25,000 to the relevant Department, in discussion with the Head of Department. The relevant Dean will be kept informed. Any legacies in excess of this should be discussed in the first instance with the relevant Dean and then if necessary referred to the FDSC.

## 8.2. Semi-Restricted Gifts

- 8.2.1. The Development Office will be responsible for drafting an annual written proposal, in consultation with the Head of Department and Dean relevant to each Fund, detailing how available monies might be disbursed. Following the decision of the Dean, the Development Office will disburse the funds accordingly.
- 8.2.2. This annual plan should be completed by May and submitted to the FDSC for approval. As part of the development of that plan it is recommended that the Funds be reviewed every two years, with the first review taking place in the academic year 2015/16.
- 8.2.3. Legacies or single gifts made to a semi-restricted Fund of up to £25,000 will be handled as detailed above. In the event of any gift bigger than £25,000 then this should be discussed in the first instance with the relevant Dean and then if necessary referred to the FDSC.
- 8.2.4. Once the Beneficiary has signed a Beneficiary Agreement the funds will be disbursed by the Development Office.
- 8.2.5. The DD will provide an annual update report to FDSC in May detailing funds disbursed, based on information provided by the Head of Department (HoD).
- 8.2.6. The DD will make recommendations on how to deal with any issues arising from disbursement for discussion at the next FDSC.
- 8.2.7. In the case of funds needing to be spent more quickly, the DD will discuss it with the Dean and HoD in the first instance and then if necessary refer to the FDSC for a decision.

### 8.3. Unrestricted Gifts

At the centre of this process is the need to keep the process for disbursing unrestricted gifts as simple as possible in order to minimise administration within the Development Office. In turn this will enable staff to devote more time to fundraising and to stewarding donors.

Unrestricted gifts will be used to support any activities across the College that adhere to the principles of this policy, with priority given to areas which have been identified and approved by FSDC as fundraising priorities. Unrestricted funding can therefore be used, for example, to start or close fundraising for individual priorities, to provide matched funds to leverage other gifts or to help reach targets.

It is recommended that the following policy replaces the current process which involves the Alumni Cabinet making termly decisions on applications for unrestricted funding that are invited from the student community:

- 8.3.1. Each May, the Development Director will present a paper to FDSC detailing the amount of unrestricted funding available and will make a recommendation for the broad purpose(s) for which it should be disbursed and the relevant amount (s). For example, if £80,000 is available the DD may recommend £50,000 should be disbursed to the 'student experience' and £30,000 to another agreed fundraising priority, such as (for example) the creation of PhD Scholarships.
- 8.3.2. It is recommended that, as a rule, disbursement of these funds focus on two broad purposes; student experience and academic experience.
- 8.3.3. In addition to recommending the broad purpose, it is also recommended that this paper also provide guidance for areas which should be considered a priority for funding for the coming academic year. These priorities will reflect discussions which will have taken place during the planning round period.
- 8.3.4. Once the amounts for each broad area are approved, the responsibility for the disbursement will fall to:
  - 8.3.4.1. The Director of Student Experience for funds allocated to student experience. S/he will consult with the Director of the Student Union as appropriate to identify student needs/projects that meet the principles of this policy and any pre agreed priorities set out by FDSC. As it is a separate organisation, any funds allocated to the Student Union will be subject to a signed Memorandum of Agreement (MoA) to ensure that it meets all legal requirements. Any funds not spent will be returned to the Development Office. Consideration should be given to limiting repeat funding to a group or organisation over consecutive years.
  - 8.3.4.2. In the case of funds allocated specifically towards scholarships, the management of disbursement will fall to the team responsible for the management of scholarships. As at May 2015 it is proposed that such a team

be established and managed through Student Recruitment and Partnerships.

- 8.3.4.3. In the case of funds allocated towards other areas of the academic experience, the relevant academic or administrative department will be responsible for disbursement.
- 8.3.5. Once the Beneficiaries have signed a Beneficiary Agreement – and in the case of the Student Union the MoA - the funds will be disbursed by the Development Office. The Beneficiary will need both to comply with the terms of the Agreement and to feed back to the Development Office on how the funds have been used.
- 8.3.6. In the case of a single large unrestricted gift of above £25,000 the DD will make a proposal for its use to the next available FDSC for a decision on how it should be used.
- 8.3.7. With regard to **unrestricted legacies** we recommend that:
  - 8.3.7.1. Legacies of up to £9,999 be disbursed by the DD to areas of fundraising priority that have been pre-agreed by the Deans and FDSC. Details will be included in a report made to FDSC in May.
  - 8.3.7.2. The DD will make a proposal to FDSC regarding disbursement of any unrestricted legacies of £10,000 or more, again bearing in mind fundraising priorities.

## Appendix 1: List of current semi-restricted funds

Project Code	Name	Purpose
O10554-10	Arts Projects - Central	Funds raised for Arts projects
O10593-10	Bedford Scholarships – Central	General scholarships
O10600-10	Dorothy Wedderburn Hardship Fund - Central	Funds raised to establish a bursary in memory of Dorothy Wedderburn
O10601-10	Drama Fund - Central	Funds raised for Drama Department
O10606-10	History Dept Fund - Central	Funds raised for history department
O10612-10	Library Development Fund - Central	Funds raised for developing the library
O10618-10	Music Development Fund - Central	Funds raised for any music development activities
O10621-10	Sports Development Fund - Central	Funds raised for any sports developing activities
O10624-10	Student Opportunities Fund - Central	Scholarship and Bursary general
O10715-10	Internships - Central	Funds raised for internships
O10716-10	Boilerhouse 2013 - Central	Funds to improve Boiler house
O10717-10	Scholarships and Bursaries - Central	General scholarships
O10734-10	Alumni Fund - Development	Holding fund to disburse alumni fund
O10754-10	Ignition Fund - Central	Funds raised for ignition fund

## Appendix 2: Process for Disbursement of Gifts

