



# Procedure

## Donations and bequests

Version effective: 04/02/2020

Version: 1.1

### Audience

Department-wide

### Purpose

This procedure details processes and responsibilities of staff and business units when offered donations and bequests on behalf of the department.

### Overview

Donations and bequests can be a way for the department (particularly schools) to supplement government funding for services and facilities. Donations or bequests may be offered as money, goods (for example, land, equipment, teaching and learning resources) or services. Donations include the proceeds of [fundraising](#) activities from Parents & Citizens (P&C) Associations. Schools may actively seek donations from parents through [requests for Voluntary Financial Contributions](#) or from the wider community. Funds donated or bequeathed to the department other than directly to schools are managed by Finance Branch.

For a payment to be considered to be a donation:

- There must be no obligation for the donor to make the payment; and
- The donor must not receive any material benefit.

Money, goods or services offered in return for advertising, product endorsement, or other benefits are **not** donations, and should be treated according to the department's [Advertising](#) or [Sponsorship](#) procedures.

Donations and bequests may be offered with conditions, such as how the money or goods may or may not be applied. The department is under no obligation to accept donations or bequests. If the cost of record keeping, monitoring or expending the donation in accordance with the donor's conditions outweighs its benefit, either negotiate the terms with the potential benefactor, or politely refuse.

Deductible Gift Recipient funds (DGR funds) enable schools and P&Cs to provide donors with tax deductible receipts. Schools may operate DGR funds for School Building Funds, Public Library Funds or Government Special Schools. For more information on applying for and operating Deductible Gift Recipient Funds, refer to the [Deductible Gift Recipient funds for schools user guide](#) (DoE employees only).



## Responsibilities

### State school principals

- Seek, accept or decline, manage and account for donations and bequests made to the school.

### Regionally based Finance Branch staff

- Help school principals to calculate and report interest on bequests where required.

### Finance Branch

- Manage and account for donations or bequests made to central or regional offices.

## Process

1. Staff offered a donation or bequest determine:
  - the name of the person making the donation or bequest
  - the relationship of the donor with the department
  - the amount
  - the purpose
  - any terms or conditions
  - for bequests, how long it is intended that the bequest exists. To be accepted, capital amounts of bequests should be consumed within ten years.
2. Decide whether or not to accept, based on the suitability of the donor, materiality, terms, and costs:
  - Consider the potential for actual, perceived or potential [conflict of interest](#) (DoE employees only), which will need to be disclosed and managed in accordance with the Department's [Standard of Practice](#) and the [Code of Conduct for the Queensland public service](#).
  - Do not accept donations where there could be a perceived conflict between the donor and the Department's values – for example, political parties or organisations with whom the Department is engaged in significant contract negotiations.
  - Seek advice from [Integrity and Employee Relations](#) (DoE employees only) if unsure about conflicts of interest, or [Finance Branch](#) (DoE employees only) in your local regional office (for schools) or central office (for regional and central office staff) if unsure about costs and benefits.
3. For bequests:
  - prepare a written agreement between the administrator of the benefactor's estate and the department which details the conditions, including the end date to the bequest. Retain a copy of the agreement until the bequest has been completed.
  - bank funds in accordance with normal [banking processes](#) (DoE employees only). A separate [general ledger](#) (DoE employees only) account is used for tracking funds.
  - consult with Finance Branch to develop an interest calculation methodology.



- include activities required to meet the terms of the bequest in operational/ school plans, and report on these activities in the annual report.
- ensure that any terms are adhered to. If there are stipulations on how a bequest may be applied, ensure that it is used only for that purpose.

4. Recognise and account for assets in accordance with the [Assets policy](#).

## Definitions

Term	Definition
<b>Bequest</b>	Money or property which is legally left to the department when the benefactor has died.
<b>Conflict of interest</b>	A conflict of interest occurs when the private interests of a public sector officer interferes, or appears to interfere, with the performance of their official duties.
<b>Deductible Gift Recipient funds (DGR funds)</b>	Funds established under the <i>Income Tax Assessment Act 1997</i> (Cwlth) that allow contributors to claim a tax deduction for gifts made over \$2.00. See the <a href="#">DGR User Guide</a> (DoE employees only) for information about when DGR funds can be established, and how to do so.
<b>Donation</b>	<p>For money, goods or services to be considered a donation:</p> <ul style="list-style-type: none"> <li>• there must be no obligation for the donor to make the donation; and</li> <li>• the donor must not receive a material benefit for making the donation. It doesn't matter if the advantage is of less or equal value than the donation, but only if it is 'material'. If money is payment retrospectively or in advance for the supply of goods or services, it is not a donation. This does not include recognition for making the donation.</li> </ul> <p>Donations are <u>not</u>:</p> <ul style="list-style-type: none"> <li>• <a href="#">Gifts or benefits offered to individuals</a>; or</li> <li>• <a href="#">Sponsorship arrangements</a>.</li> </ul>
<b>Preservation of capital</b>	This enables the department to maintain the amount originally donated (capital), and only use the interest that that capital generates.
<b>Tax deductible receipts</b>	See Deductible Gift Recipient funds (DGR funds), above
<b>Voluntary Financial Contributions (VFCs)</b>	Section 56 of the <a href="#">Education (General Provisions) Act 2006 (Qld)</a> (EGPA) allows principals to request a VFC from parents to supplement government funding for instruction, administration and facilities.

## Legislation

- Nil



## Delegations/Authorisations

- Nil

## Related policies

- [Department of Education Standard of Practice](#)
- [Fundraising](#)
- [Code of Conduct for the Queensland public service](#)
- [Revenue](#)

## Related procedures

- [Advertising](#)
- [Receipt of Gifts and Benefits by Employees of the Department](#)
- [Requests for Voluntary Financial Contributions](#)
- [Sponsorship](#)

These procedures are supported by the following processes:

- [Managing conflicts of interest](#) (DoE employees only)
- [End of day lodgement checking processes](#) (DoE employees only)
- [Receipting](#) (DoE employees only)
- [Securing and managing physical cash](#) (DoE employees only)

## Supporting information/websites

- [Asset recognition](#) (DoE employees only)
- [Deductible Gift Recipient funds for schools user guide](#) (DoE employees only)
- [General ledger](#) (DoE employees only)
- [Taxation](#) (DoE employees only)

## Contact

For further information, please contact:

Finance Branch

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## Review date

17/10/2020



## Superseded versions

*Previous seven years shown. Minor version updates not included.*

1.0 Donations and bequests

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