



# Donations and bequests procedure

**Version:** 2.1 | **Version effective:** 30/06/2023

## Audience

Department-wide

## Purpose

This procedure outlines the responsibilities and processes for Department of Education (the department) employees and business units when dealing with donations and bequests offered to the department.

## Overview

Donations and bequests can be a way for the department (particularly schools) to supplement government funding for services and facilities. Donations and bequests may be received as money, goods (for example, land, equipment, teaching and learning resources) or services.

Donations may come from different sources, including:

- proceeds of fundraising activities from Parents and Citizens (P&C) Associations
- contributions from parents through requests for voluntary financial contributions
- offers from the wider community.

To be recognised as a donation, there must be no obligation for the donor to make the offer and the donor must not receive any material benefit.

All donations and bequests must be assessed for suitability and appropriateness before they are accepted. 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, for example if the conditions are unacceptable or too onerous.

Schools may operate Deductible Gift Recipient funds (DGR funds) for School Building Funds, Public Library Funds or Government Special Schools. Parents and Citizens Associations cannot operate a DGR. DGR funds enable schools to provide donors with tax deductible receipts. Receipts issued to donors for donations made to non-DGR funds are not tax deductible. For more information on applying for and operating Deductible Gift Recipient Funds, refer to the [Deductible Gift Recipient funds](#) (DoE employees only) OnePortal page.

This procedure does not apply to:

- money, goods or services offered in return for advertising, product endorsement, or other benefits which should be managed according to the department's [Advertising](#) or [Sponsorship](#) procedure
- payments in exchange for goods or services that are subject to the department's [Purchasing and procurement procedure](#)
- offers of assistance to the department following a disaster event which should be accounted for in accordance with the [Managing offers of assistance in disaster events procedure](#)
- gifts or benefits offered to individual employees in the course of their official duties under the department's [Gifts and benefits procedure](#).

## Responsibilities

### **Prospective donors/benefactors/administrators of benefactors' estate**

- seek independent legal and/or financial advice before making donations or bequests to the department
- prepare wills or bequest documents.

### **Any employee who receives a donation or bequest to the department**

- collect information about the donation and bequest
- refer the offer to the principal, Executive Director or higher (excluding any low value or token donations).

### **Employees with finance functions**

- undertake duties in relation to receipting, recording and banking of donations and bequests
- issue tax deductible receipts for donations made to schools' DGR funds
- keep adequate documentation
- liaise with Finance Branch about calculating and reporting interest on bequests if required.

### **Principals, Executive Directors or higher**

- review and assess the suitability of donations and bequests
- accept, decline, or negotiate the terms of donations and bequests up to their [delegated authority](#)
- ensure effective, transparent and accountable processes are in place to accept, assess and manage donations and bequests
- seek advice from Legal Services before signing any donation or bequest agreement
- acknowledge donors or benefactors where appropriate
- manage and account for donations and bequests to the expectation of donors or benefactors
- maintain records and related communications.

## Additional responsibilities for Principals

- where applicable, include information on activities required to meet the terms of specific donations or bequests in operational/school plans, and report on these activities in the school's annual report. For example, include information regarding an annual disbursement for a multi-year bequest.

## Finance and Assurance Services (Finance Branch)

- report donations and bequests in the department's annual financial statements
- help schools and business units to calculate and report interest on bequests where required.

## Legal Services

- provide legal advice if required.

## Process

### 1. Receipt of donation or bequest

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- When offered a donation or bequest, employees receiving the offer must determine:
  - the name of the person or organisation making the donation or bequest
  - any relationship between the donor or benefactor and the department
  - the amount or nature of the item/s to be donated or bequeathed
  - the purpose of the donation or bequest
  - any terms or conditions attached to the offer
  - for bequests, how long it is intended that the bequest exists.
- Once information is gathered, the employee must refer the donation or bequest to an appropriate approving officer – Principals (for school offers) or Executive Directors (for non-school offers) – for consideration
- If the value of an offer exceeds the delegation limit for the approving officer, the offer must be referred to a higher classification position who has sufficient [delegation authority](#)
- For donations or bequests where a formal agreement is required, the donor, benefactor or administrator of a benefactor prepares an agreement outlining any requirements and provides this to the approving officer.
  - The following standard bequest clause could be included in a will:  
*I give (my whole estate) or (specific percentage of my estate) or (specific assets) or (the residue of my estate) or (the sum of \$\_\_\_\_) to the State of Queensland (name of school) for its general purposes. I declare that the receipt of the State of Queensland shall be sufficient discharge to my trustees.*

### 2. Consider suitability of offer

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- With the exception of donations from P&C Associations, contributions from parents through requests for voluntary financial contributions and other low value or token donations, an approving officer must consider, within their delegated authority, the suitability of an offer to determine if it will be accepted, declined or if negotiations are required
- In making this determination, the approving officer must consider the following factors:

- What is being offered and is it something that can be accepted under this procedure?
  - For example, activities relating to procurement, sponsorship, advertising or gifts or benefits provided to individuals must be dealt under different procedures.
- Does the offer align with the department's values and strategic direction?
  - Donations or bequests that do not further or are in conflict with the department's value or strategic direction must be declined. For example, donations from an individual or organisation associated with the tobacco, alcohol or sex industry.
- Is the donor or benefactor acceptable to the department?
  - For example, do not accept donations that seek to promote or oppose politicians, political parties/organisations or their candidates.
  - Schools may accept donations from elected members of local, state or federal government, provided that the elected member does not receive any marketing, promotion or other benefits for the donation they provide to schools; schools must not accept donations that display 'sponsored by' messages.
  - [Advertisements](#) and [sponsorships](#) that provide the contact details for local, state and federal elected members are permissible in schools and should follow the political advertising protocol as outlined in the [Advertising procedure](#).
- Will the offer create a resource or administrative burden for the department?
  - If the cost of record keeping, monitoring or expending the donation or bequest in accordance with the donor or benefactor's conditions outweighs its benefit, either negotiate the terms, or politely refuse. For example, a building bequeathed to the department may require expensive long-term maintenance if it cannot be sold outright.
- For offers of materials, goods or services, are the goods or services appropriate and useful to the department and free of health and/or safety hazards?
  - If the donation or bequest is unsuitable or unsafe, it must be declined.
- Does the offer give rise to an actual or perceived conflict of interest?
  - For example, donations from businesses engaged in contract negotiations with the department or potential suppliers who are currently involved in a tender process may create a conflict of interest that must be disclosed and managed in accordance with the department's [Conflict of interest policy](#).
- Once a determination is made, the approving officer will communicate the decision to the employees who are involved in the receipting and recording of donations or bequests and in the event that an offer is declined, notify the prospective donor or benefactor of the decision in writing
- The approving officer must keep records of decisions and reasons why a particular donation or bequest is accepted or declined in an authorised recordkeeping system, in accordance with the department's [records management requirements](#) (DoE employees only).

### 3. Process and management of donations or bequests

- Once a donation or bequest is accepted it becomes the property of the department.
- Employees with finance functions are to:

- record the offer and associated information in the relevant departmental financial business system:
  - cash/monetary donations and bequests are to be recorded on the day of receipt and banked into the relevant bank account in accordance with the standard [banking process](#) (DoE employees only)
  - in-kind donations and bequests with a value over \$500 or deemed portable and attractive are to be recorded into the relevant system in accordance with the Equipment management procedure for [schools](#) and [business units](#)
  - in-kind donations and bequests with a value under \$500 that are not deemed portable and attractive are to be recorded (e.g. using a spreadsheet, stockbooks or utilising the Library system) and saved locally in accordance with the [Information asset and recordkeeping procedure](#).
- issue receipts to donors or benefactors for monetary donations and bequests in accordance with the standard [receipting process](#) (DoE employees only)
- issue tax deductible receipts to donors for donations made to eligible school DGR funds
- please note - invoices cannot be issued for money or goods received from donations or bequests
- for bequests where the capital amount needs to be preserved and/or interest earned needs to be specifically identified, seek advice from Finance Branch about the appropriate interest calculation methodology.
- Principals/Executive Directors or higher are to:
  - where appropriate, provide a thank you letter to donors or benefactors following the receipt of donations and bequests - a sample donor 'thank you' letter (DoE employees only) is provided for schools to use
  - adhere to any agreed terms and conditions of the offer
  - manage in-kind donations and bequests in line with the department's asset management [policy](#) and [guidelines](#) (DoE employees only).

## 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 <a href="#">conflict of interest</a> can occur when an employee has, or is seen to have, a private interest, either financial (pecuniary) or non-financial (non-pecuniary), which conflicts or may conflict with the discharge of the employee's official duties.
<b>Deductible Gift Recipient funds (DGR funds)</b>	Funds established under the <a href="#">Income Tax Assessment Act 1997 (Cwth)</a> that allow contributors to claim a tax deduction for gifts made over \$2.00. See the <a href="#">Deductible Gift Recipient funds</a> (DoE employees only) OnePortal page for information about when DGR funds can be established, and how to do so.
<b>Donation</b>	For money, goods or services to be considered a donation: <ul style="list-style-type: none"> <li>● there must be no obligation for the donor to make the donation; and</li> </ul>

Term	Definition
	<ul style="list-style-type: none"> <li>the donor giving the donation does not receive a material benefit in return. An acknowledgement or recognition for making the donation does not constitute a material benefit to the donor.</li> </ul> <p>Donations are not:</p> <ul style="list-style-type: none"> <li><a href="#">Payment for the supply of goods or services</a>;</li> <li><a href="#">Gifts or benefits</a> offered to individuals;</li> <li><a href="#">Advertising</a> or <a href="#">Sponsorship</a> arrangements; or</li> <li><a href="#">Offers of assistance following a disaster event</a>.</li> </ul>
<b>Donor or benefactor</b>	A donor or benefactor is the person who makes the donation or bequest.
<b>Financial business system</b>	<p>OneSchool Finance for schools.</p> <p>SAP (Systems, Applications and Products in Data Processing) for business units other than schools.</p>
<b>Tax deductible receipts</b>	See Deductible Gift Recipient funds (DGR funds), above
<b>Token donation</b>	A token donation usually comprises items that are of no material value, such as pins, wristbands and stickers.
<b>Voluntary Financial Contributions</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. Refer to the <a href="#">Requests for voluntary financial contributions procedure</a> for more information.

## Legislation

- [Education \(General Provisions\) Act 2006 \(Qld\)](#) section 56
- [Income Tax Assessment Act 1997 \(Cwlth\)](#)

## Delegations/Authorisations

- [Finance delegations](#)

## Policies and procedures in this group

- Nil

## Supporting information for this procedure

- Nil

## Other resources

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

## Policies and procedures

- [Conflict of interest policy](#)
- [Conflict of interest procedure](#)
- [Fundraising procedure](#)
- [Advertising procedure](#)
- [Gifts and benefits procedure](#)
- [Purchasing and procurement procedure](#)
- [Requests for voluntary financial contributions procedure](#)
- [Sponsorship procedure](#)
- [Information asset and recordkeeping procedure](#)
- [Managing offers of assistance in disaster events procedure](#)

## Departmental resources

- [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)
- [Banking](#) (DoE employees only)
- [Assets](#) (DoE employees only)
- [Deductible Gift Recipient funds](#) (DoE employees only)
- [General ledger](#) (DoE employees only)
- [Taxation](#) (DoE employees only)

## Contact

For further information, please contact:

Finance Business Policy

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## Review date

24/01/2025

## Superseded versions

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

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