



# Administration of Donations Procedure

Effective: 20 September 2019

## 1. Guiding Principles

The purpose of this document is to provide South West staff with guidance regarding the administration of donated funds and the criteria upon which donations will be accepted, and the manner in which donated funds can be expended.

## 2. Procedure

This document is to be read in conjunction with the WA Health Financial Management Manual (FMM), Section 530 Donations and Gifts.

### 2.1 Criteria for accepting a donation

Donations must be made voluntarily.

- They do not provide a material benefit to the donor.
- Essentially arise from benefaction, and proceed from detached and disinterested generosity.
- Donations offered by companies or organisations that conflict with WACHS values and practices (e.g. tobacco companies) will not be accepted.

Donations that may cause or be perceived to cause a conflict of interest will not be accepted.

### 2.2 What is a Donation?

General donations refers to revenues received, such as bequests, grants and donations from the general public, social/sporting clubs, charitable organisations and private businesses etc.

Donations may be in the form of money, goods or services.

To be recognised as donations it is to have the following characteristics:

- Voluntarily made.
- No material benefit or advantage to the donor.
- Essentially arise from benefaction, and proceed from detached and disinterested generosity.

“Material benefit” means in essence that the payer has an expectation to receive some form of supply or benefit in return. According to the Australian Taxation Office (ATO), a material benefit would **not** include acknowledgement of the donation, a small plaque attached to an asset, or the naming of a new wing after a donor as these do not constitute a ‘material’ gain to the donor.

### 2.3 Donations Process

#### 2.3.1 Evaluation of Donations

In all cases, the offer to donate must be evaluated before acceptance in accordance with the criteria for accepting a donation as outlined in page 1. In most cases, where the bona fides of the donor are obvious and the offer is not tied to some derivable benefit to the donor, this evaluation would be taken for granted by the person accepting the donation. Where the donation is regarded as being significant and the bona fides of the donor are not known, the prospective donation is to be referred to the South West Finance Manager.

If the evaluation does not meet the criteria for acceptance of a donation, the donation is to be declined at the time of offer, or acknowledged in writing to the donor/prospective donor using the [Declined Donation Acknowledgement Letter](#).

#### 2.3.2 Acceptance of Donations

Receipt of donations up to and including \$100,000 must be approved by the Regional Director as per section 4.5.01 of the WACHS Authorities Schedule. The Coordinator of Executive Services is to prepare a schedule of donations received and seek the Regional Directors retrospective approval on a monthly basis.

#### 2.3.3 Acknowledgement of Donations

Once acceptance of the donation is approved, donations of money \$50 or more, are to be acknowledged in writing from the Regional Director using the [Donation Acknowledgement Letter](#).

Donations of \$50 or more for a “specific purpose” are to be acknowledged in writing from the Regional Director using the [Donation Acknowledgement Letter \(Specific Purpose\)](#).

#### 2.4.4 Receipt of Donations Revenue

- If the donation is accepted, any conditions regarding the use of the funds are to be acknowledged on the receipt. A manual receipt is to be issued for each donation accepted using the Kalamazoo system and the copy is to be kept on site. The cash receipt journal form is only to contain the donation revenue, with a separate cash receipt journal being used for any operating revenue received on the same day.
- Receipt in the name of the actual donor. Donor name, address and contact details is to be noted on the copy of the cash receipts journal.

Accepted cash donations are to be deposited to the Bunbury Health Service Board Bequest and Donations account. Each site has been issued with a deposit book for this purpose. All new deposit books are posted to 10<sup>th</sup> Floor, Bunbury Tower, 61 Victoria Street, BUNBURY WA 6230, and will be posted to the relevant sites upon request.

- Notification of bank deposits is to be emailed to [WACHS-SW Donations & Bequests](#) to assist with the bank account reconciliation, and a carbon copy sent to the South

West Finance Manager for recording in the South West Bequests and Donations Register. The South West Finance Manager must be notified of any donation given for a specific purpose and this is to be recorded in the [South West Bequests and Donations Register](#).

### 2.4.5 Expenditure of Donations

- Business Managers are to regularly review their donation balances to ensure funds are spent within 12 months of receipt.
- Donations not spent within 12 months from the date of receipt (except donations that are for a specific purpose) are to be referred to the Business Manager and relevant Tier 4 Managers from the South West Finance Manager, and requested that they consider appropriate expenditure of the donated amount within a two (2) week period – failure to respond or submit a Briefing Note requesting expenditure of donated funds may result in the donated amount being transferred into a Regional Pool for utilisation at the South West Executive’s discretion.
- Business Managers is to complete a Briefing Note requesting expenditure of donated funds and seek approval from their relevant Tier 4 Manager prior to submitting to the Regional Director for approval consideration.
- Purchases of items valued at \$5,000 or more are to be referred to the South West Finance Manager for appropriate coding.
- Once a decision has been made by the Regional Director, and if the request is approved, the goods are purchased through the normal WACHS-South West purchasing guidelines via i-Procurement (over \$5,000), or Purchasing Card (under \$5,000) and invoices paid from the main Operating Account.
- All purchases must be coded to cost centre “SW RM Donations 0808244”. The account code is to be selected from the WA Health Chart of Accounts Manual
- All questions regarding an appropriate chart of account is to be directed to the South West Finance Manager.
- Business Managers are responsible for ensuring a copy of the invoice together with the approved and signed Briefing Note is e-mailed to [WACHS-SW Donations & Bequests](#).
- If the invoice goes direct to Supply, the Business Manager must obtain a copy from the supplier or from the Accounts Payable department.
- Upon receiving the invoice and the approved Briefing Note, the South West Finance Manager is to check that the coding and approving officer is appropriate.

### 2.4.6 Recoup of Expenditure from Donations Account to Operating Account

- The South West Finance Manager is to transfer cash from the donations bank account to the Operating bank account via Electronic Funds Transfer. The amount transferred will **exclude GST**.
- The South West Finance Manager will raise a journal to reflect the cash transfer in the Oracle General Ledger.
- The South West Finance Manager will record the reimbursement in the [South West Bequests and Donations Register](#).

#### 2.4.7 Fundraising via another Organisation

Another Fundraiser/Fundraising Group cannot make collections on behalf of WACHS-South West unless an Authority to Fundraise under Charity License is issued.

Refer to Section 530 Donations and Gifts (Charitable Collections License) – WA Financial Management Manual for more details or contact the South West Finance Manager for assistance in this situation.

#### 2.4.8 Monitoring

Donations balances are to be monitored each quarter by the South West Executive team and can be considered as an available funding source for purchases designed to improve health service provision and patient outcomes.

Donation funds for all South West Health Services are held in a Commonwealth Bank of Australia bank account, named Bunbury Health Service Board Bequest and Donations account, and are administered via an Excel spreadsheet ([South West Bequests and Donations Register](#)).

A summary of balances is presented to the South West Executive by the South West Finance Manager on a quarterly basis.

### 3. Definitions

<b>Donations</b>	<p>Recognised if meets definition under Tax Ruling 2005/13:</p> <ul style="list-style-type: none"><li>• There is a transfer of the beneficial interest in property;</li><li>▪ They are made voluntarily; and</li><li>▪ They do not provide a material benefit or advantage received by the donor by way of return; and</li><li>▪ They essentially arise from benefaction, and proceed from detached and disinterested generosity.</li></ul> <p>It should be noted that “gift” has the same meaning as “donation” for the purposes of this policy.</p>
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### 4. Roles and Responsibilities

#### Finance Director:

- Review and approve / decline receipt of all donations > \$100,000 and up to and including \$500,000 and advise Coordinator of Executive Services of decision.

#### Regional Director:

- Review and approve / decline receipt of all donations > \$1,000 and up to and including \$100,000 and advise Coordinator of Executive Services of decision.
- Makes final approval for all Briefing Notes requesting expenditure of donated funds once received from Tier 4 Managers.

### **South West Executive:**

- Review South West Bequests and Donations Summary on a quarterly basis.

### **Tier 4 Managers:**

- Review the South West Bequests and Donation Summary presented at South West Executive, and ensures all commitments/specific donations are recorded.
- Table the South West Bequests and Donations Summary at all District/Team meetings for discussion and noting on a regular basis.
- Approve all requests for the expenditure of donated funds prior to seeking Regional Director approval.

### **Business Manager:**

- Review and approve / decline receipt of all donations up to and including \$1,000
- Refer all Donations > \$1,000 to the Coordinator of Executive Services for Regional Manager evaluation and acceptance.
- Acknowledges all approved and declined donations in writing to the donor/prospective donor.
- Review monthly balance on the South West Bequests and Donations Summary, specifically any donations funds which have no purpose (uncommitted).
- Spend donated funds within 12 months of receipt.
- Seek Tier 4 approval of Briefing Note requesting expenditure of donated funds.
- Arrange for prompt and efficient purchase/payment of goods and services in accordance with regulations/guidelines.
- Email copy of invoice and approval to the [WACHS-SW Donations & Bequests](#).

### **South West Finance Manager**

- Provides sites with advice regarding the evaluation of donations before acceptance.
- Maintain a summary of all donations related transactions.
- Record the purpose of any donation given with specific purpose.
- Produce monthly summary of site donations balances and save updated copy to the [South West Intranet](#) page.
- Arrange cash transfers between Operating bank account and Donations bank account in Commbiz as required.
- Attend to queries and other donations related matters as and when required.

### **Central Office Finance**

- Bank donated funds as per regulations/guidelines and email details to [WACHS-SW Donations & Bequests](#).
- Prepare monthly journal to reflect bank account transactions including incoming funds and cash transfers between donations bank and operating bank.
- Reconcile general ledger and South West Bequests and Donations Register monthly.

### **Coordinator of Executive Services**

- Prepare and update schedule of donations received and seek Regional Directors retrospective approval on a monthly basis.
- Updated Schedule of Donations and forward to [WACHS-SW Donations & Bequests](#) with supporting documentation attached from Tier 2 or Tier 3. Update in Records Manager.

## **5. Compliance**

This procedure is a mandatory requirement under Section 530 Donations and Gifts (Charitable Collections License) – WA Financial Management Manual.

Failure to comply with this policy document may constitute a breach of the WA Health system MP0031/16 Code of Conduct (Code). The Code is part of the [Employment Policy Framework](#) issued pursuant to section 26 of the [Health Services Act 2016](#) (WA) and is binding on all WACHS staff which for this purpose includes trainees, students, volunteers, researchers, contractors for service (including all visiting health professionals and agency staff) and persons delivering training or education within WACHS.

WACHS staff are reminded that compliance with all policies is mandatory.

## **6. Records Management**

All WACHS corporate records must be stored in the approved Electronic Documents and Records Management System.

[Records Management Policy](#)

## **7. Evaluation**

Monitoring of compliance with this document is to be carried out by South West Finance Manager every 12 months.

## **8. Standards**

[Australian Accounting Standards Board \(AASB\) Accounting Standards](#)  
[National Safety and Quality Health Service Standards : 1.7](#)

## **9. Legislation**

[Financial Management Act 2006 \(WA\)](#)  
[Government Financial Responsibility Act 2000 \(WA\)](#)

## 10. References

[Section 530 Donations and Gifts \(Charitable Collections License\) – WA Financial Management Manual](#)  
[WACHS Authorities Schedule](#)

## 11. Related WA Health System Policies

[WA Health Chart of Accounts Manual](#)  
[WA Health Financial Management Manual](#)

## 12. Policy Framework

[Financial Management](#)

**This document can be made available in alternative formats  
on request for a person with a disability**

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