



Administration of Donations Procedure

1. Guiding Principles

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

This document has been developed following feedback from the Pilbara Regional Executive Team and Pilbara District Health Advisory Councils.

Key Principles

- Seek to encourage public donations and to fulfil the wishes of the person or persons making the donations where practical and safe to do so.
- Anonymous donations will not be accepted. Anonymity requests (defined as donations from a donor who would prefer their identity is not disclosed) requires approval by the Regional Director.
- In the case of a deceased estate, act in accordance with the terms of the bequest.
- Where not specified, aim to allocate the funds to the local health service in which the donation was raised.
- The region reserves the right to use donations to the benefit of the local community and the whole region e.g. palliative care equipment available for loan across the region.
- Seek to utilise the funds promptly and efficiently.
- Manage and administer the funds according to WA Health and Department of Finance rules and regulations.
- Report on the allocation of funds to the District Health Advisory Councils on an annual basis (August each year).
- Acknowledgement of receipt of donations.
- Only in exceptional circumstances will donated funds be utilised to purchase non- clinical capital items.

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) are not to be accepted.

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Donations that may cause or be perceived to cause a Conflict of Interest are not to 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 a donation it must 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 Regional 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 \$500,000 must be approved by the Regional Director as per section 4.5.01 of the [WACHS Authorities Schedule](#). The Regional Finance Manager is to prepare a schedule of donations received and seek the Regional Director's 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 \(Special Purpose\)](#).

2.3.4. Receipt of Donations Revenue

- If the donation is accepted, any conditions regarding the use of the funds are to be acknowledged on the receipt. Funds are to be deposited into the WACHS-Pilbara Bequest and Donations bank account. Receipting of deposits and recouping of spending are managed by the Finance HUB centrally.
- Notification of bank deposits is to be emailed to WACHS-Pilbara Finance to assist with the bank account reconciliation, and a carbon copy to the Pilbara Regional Finance Manager for recording in the Pilbara Bequests and Donations Register. The Regional Finance Manager must be notified of any donation given for a specific purpose and this is to be recorded in the [Pilbara Bequests and Donations Register](#).

2.3.5. Expenditure of Donations

- Business Managers are to regularly review their donations 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 manager from the Regional 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 [Request for Expenditure of Donations Funds Form](#) will result in the donated amount being transferred into a Regional Pool for utilisation at the Pilbara Executive's discretion.
- Business Managers are to complete a [Request for Expenditure of Donations Funds Form](#) 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 Regional 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-Pilbara purchasing guidelines via i-Procurement (over \$5,000), or P-Card (under
 - \$5,000) and invoices paid from the main Operating Account.
- All purchases must be coded to cost centre "PI RM Donations 0802024".
- The account code is to be selected from the WACHS Standard Chart of Accounts. All questions regarding an appropriate chart of account are to be directed to the Regional Finance Manager.

- Business Managers are responsible for ensuring a copy of the invoice together with the approved and signed [Request for Expenditure of Donations Funds Form](#) is e-mailed to Regional Finance Manager.
- 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 [Request for Expenditure of Donations Funds Form](#), Finance are to check that the coding and approving officer is appropriate.

2.3.6. Recoup of Expenditure from Donations Account to Operating Account

- Upon notification by the Regional Finance Manager, the WACHS GL Hub is responsible for organising the CommBiz bank account transfer and preparing the journal to reflect the cash transfer in GL.
- The Regional Finance Manager is to record the reimbursement in the Pilbara Bequests and Donations Register.

2.3.7. Fundraising via Another Organisation

Another Fundraiser/Fundraising Group cannot make collections on behalf of WACHS-Pilbara

2.3.8. Monitoring

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

Donation funds for all Pilbara Health Services are held in a Commonwealth Bank of Australia bank account, named WACHS-Pilbara Bequest and Donations Account, and are administered via an Excel spreadsheet (Pilbara Bequests and Donations Register). A summary of balances is presented to the Pilbara Executive on a quarterly basis.

3. Definitions

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

Regional Director:

- Approve receipt of all donations, bequest or grant revenue, in cash or property, to a value up to and including \$500,000 in accordance with the [WACHS Authorisation Schedule](#)
- Review and approve/ decline receipt of all donations > \$1,000 and up to and including \$500,000 and advise Coordinator of Executive Services of decision.
- Donations >\$50 are to be acknowledged in writing using the [Donation Acknowledgement Letter](#).
- Makes final approval for all [Requests for Expenditure of Donations Funds Forms](#) requesting expenditure of donations funds once received from Tier 4 Managers.

Pilbara Executive:

- Review Pilbara Bequests and Donations Summary on a quarterly basis, tabled at Regional Executive meeting by the Director of Business Services.

Tier 4 Managers:

- Review and approve/ decline receipt of all donations up to and including \$1,000
- Approve all requests for the expenditure of donated funds prior to seeking Regional Director approval.
- Review the Pilbara Bequests and Donation Summary presented at Pilbara Executive, and ensures all commitments/specific donations are recorded.
- Table the Pilbara Bequests and Donations Summary at all District/Team meetings for discussion and noting on a regular basis.

Manager Financial Accounting (WACHS Central Office):

- Reconcile donations bank statement to GL account 9999999-911300.

Business Manager:

- Refer all Donations > \$1,000 to the Coordinator of Executive Services for Regional Director evaluation and acceptance.
- Review monthly balance on the Pilbara Bequests and Donations Summary, specifically any donations funds which have no purpose (uncommitted).
- Spend donated funds, received within their business unit, within 12 months of receipt.
- Bank donated funds as per regulations/guidelines and email details to Regional Finance Manager.
- Seek Tier 4 approval of [Request for Expenditure of Donations Funds Form](#).
- Arrange for prompt and efficient purchase/payment of goods and services in accordance with regulations/guidelines.
- Email copy of invoice and approval to the Regional Finance Manager.

Regional Finance Manager

- Provide sites with advice regarding the evaluation of donations before acceptance.
- Acknowledge all declined donations in writing to the donor/prospective donor via the [Declined Donation Acknowledgement Letter](#)
- Arrange cash transfers between Operating bank account and Donations bank account in Commbiz as required.
- Prepare monthly journal to reflect bank account transactions.
- Prepare journal to reflect cash transfers between donations bank and operating bank.
- 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 to HP Records Manager.
- Reconcile general ledger and Pilbara Bequests and Donations Register bi-monthly.
- Attend to queries and other donations related matters as and when required.

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 procedure may constitute a breach of the WA Health Code of Conduct (Code). The Code is part of the [Integrity 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 Director Business Services and Finance Manager, every 12 months.

8. Standards

[Australian Accounting Standards Board \(AASB\) Accounting Standards](#)

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9. Legislation

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

10. References

[WA Financial Management Manual - Section 530 Donations and Gifts](#)
[WACHS Authorities Schedule](#)

11. Related Forms

[Request for Expenditure of Donations Funds Form](#)
[Letter - Donation Acknowledgement](#)
[Letter - Donation Acknowledgement \(Special Purpose\)](#)
[Declined Donation Acknowledgement Letter](#)

12. Related WA Health System Policies

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

13. Policy Framework

[Financial Management Policy Framework](#)

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

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