



## **SHA Donations Policy**

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## **1. PURPOSE OF THIS POLICY**

- 1.1 This policy aims to sets out Southside Housing Association’s (SHA) position in relation to dealing with requests for donations and making donations to e.g. community organisations and charitable bodies.
- 1.2 The policy also aims to set out how SHA will deal with donations or legacies made to SHA by donors or benefactors. It also aims to provide a framework for the practical application for making or receiving a donation or legacy, and to set out the levels of delegated authority and accountabilities in relation to donations.
- 1.3 This policy also aims to meet the requirements within the SHA Rules of Association that a policy is set and subject to review periodically our policy for the donation of funds to charity.
- 1.4 The SHA Donations Policy will ensure openness and transparency to Management Committee, SHA staff and external stakeholders including the bodies which regulate the activities of SHA.
- 1.5 The SHA Donations Policy also applies to SHA’s wholly owned subsidiary Southside Lettings (Scotland) Ltd. (Southside Lettings), and any reference to SHA throughout this policy is also taken to refer to Southside Lettings also.

## **2. POLICY PRINCIPLES**

- 2.1 SHA will adopt a prudent approach to making gifts or donations and will ensure in making a gift or donation that our actions are directly related to the furtherance of SHA’s charitable objectives as set out in the SHA Rules.
- 2.2 The Management Committee is responsible for ensuring that SHA can demonstrate that its governance and financial arrangements are aligned to and comply with:
  - Scottish charity law and anti-bribery legislation;
  - Regulatory Standards and Requirements, and;
  - SHA’s Codes of Conduct for Governing Body members and employees
- 2.3 Any donation made or received by SHA does not represent a conflict of interest and is not made in order to obtain any improper business benefit.

## **3. REGULATORY OBLIGATIONS AND REQUIREMENTS OF THE SHA RULES**

- 3.1 The Scottish Housing Regulator’s (SHR) *The Regulation of Social Housing in Scotland: Our Framework* (SHR, 2019), sets out the Standards of Governance and Financial Management which all registered social landlords (RSL) must comply with. Standard 5 – “The RSL manages its resources to ensure its financial well-being and

economic effectiveness” is relevant to this policy. More specifically the following guidance points within Standard 5 have particular relevance to this policy:

- 5.1 – The RSL conducts its affairs with honesty and integrity, and through the actions of the governing body and staff, upholds the good reputation of the RSL, and the sector, and;
- 5.4 – Governing body members and staff declare and manage openly and appropriately any conflicts of interests and ensure they do not benefit improperly from their position.

3.2 The SHA Rules permit both the receipt of donations from benefactors, and the making of donations to other organisations by SHA. The relevant provisions within the SHA Rules are:

- 47.8: The Committee can accept donations in support of the activities of the Association, and;
- 79.2: The Committee shall set and review periodically its policy for the donation of funds to charities. Such donations must further the objects of the Association and the Committee shall report to the members on such donations

3.3 The Charitable Objects of the Association as set out in the SHA Rules are:

- To provide for the relief of those in need by reason of age, ill-health, disability, financial hardship or other disadvantage through the provision, construction, improvement and management of land and accommodation and the provision of care, and;
- Any other purpose or object permitted under Section 24 of the Housing (Scotland) Act 2010 which is charitable both for the purposes of Section 7 of the Charities and Trustee Investment (Scotland) Act 2005 and also in relation to the application of the Taxes Act.

#### **4. LINKS TO OTHER POLICIES**

4.1 This Policy links to and has relevance with the following SHA policies and key Governance documents:

- Group Policy on Entitlements, Payments and Benefits
- Delegated Authority Policy
- Code of Conduct for SHA Governing Body Members
- SHA Staff Code of Conduct
- Scheme of Delegated Authority, and;
- Financial Regulations

## **5. REQUESTS FOR DONATIONS FROM SHA**

- 5.1 As part of the annual budget setting process, the Leadership Team will apportion a set budget for funds to be made available each year for donations to appropriate charities or non-profit making organisations which are aligned with the charitable objects of SHA.
- 5.2 Management Committee retain overall authority over the SHA budget including the sums to be dedicated to donations. The primary vehicle for administering donations from SHA to other charities and organisations is the SHA Community Chest, however donations or payments may also be made by SHA via the Tenant Participation budget and through Community Benefits to charities, organisations and other bodies in line with the SHA Rules
- 5.3 Management Committee delegate authority to consider and make decisions of awards with regard to request for donations made via the Community Chest to the Leadership Team.
- 5.4 The Leadership Team will maintain a Register of Donations and payments where all donations made or received by SHA through the Community Chest, Tenant Participation budget or Community Benefits will be recorded.
- 5.5 In its role as Charitable Trustees, Management Committee has a clear procedure for how requests for donations are administered via the SHA Community Chest. The Chief Executive Officer (CEO) will report to Management Committee on all donations made via the Community Chest or through the other approved conduits for making a donation or payment.
- 5.6 Management Committee will also report on the amount donated by the Association each year to SHA's shareholding membership at the SHA Annual General Meeting (AGM) in accordance with Rule 79.2 – "such donations must further the objects of the Association and the Committee shall report to the Members on such donations."
- 5.7 Donations made by SHA will also be recorded in the audited Annual Report and Financial Statements which are also presented to the shareholding membership at the AGM, and which are also published to the SHA website.
- 5.8 Where a member of the Management Committee or any sub-committees including the Southside Lettings Board, or an SHA employee as set out within the Group Policy on Entitlements, Payments and Benefits has a close connection with any charity or organisation making a request for a donation, this must be declared in line with the requirements of that Policy. That member must not participate in the consideration or decision process with regard to that request.
- 5.9 All declarations of interest must be recorded in the Register of Entitlements, Payments and Benefits whether a decision to agree to a donation is agreed or not.
- 5.10 SHA reserves the right to publicise any donation made to a charity or other organisation through SHA's newsletter, website, social media channels and wider press and media.

## **6. CRITERIA FOR MAKING A DONATION FROM THE SHA COMMUNITY CHEST**

- 6.1 SHA will apply the following principles and criteria when considering any requests for a donation from SHA's Community Chest.
- 6.2 SHA will not make a donation to an individual or to alleviate hardship being experienced by an individual.
- 6.3 Requests for a donation will only be considered from a 'not for profit' organisation whose aims are aligned with and advance the charitable objectives of SHA
- 6.4 Any donation made by SHA must bring a positive benefit to SHA tenants or residents within the SHA areas of operation.
- 6.5 Donations will only be made to 'not for profit' organisations who are based in or who operate within SHA's geographical areas operation.
- 6.6 The SHA Community Chest will administer donations to 'not for profit' organisations up to a financial limit of £500.00.
- 6.7 Donations may be made from the Community Chest to qualifying applicants on multiple occasions however the cumulative amount of donations to a single qualifying applicant must not exceed £500.00 within any financial year.
- 6.8 Governing body members or employees of SHA or Southside Lettings, and any close connections as set out in the SHA Group Policy on Entitlements' Payments and Benefits may not receive a donation from SHA.
- 6.9 Governing body members or employees of SHA or Southside Lettings must declare any interests with regard to any organisation making a request for a donation and must not take any role in the assessment of a request or a decision to make a donation to that organisation.

## **7. OTHER SHA CHANNELS FOR MAKING A DONATION**

- 7.1 In addition to the SHA Community Chest, there are a number of other channels by which SHA may make a donation to groups in line with the SHA rules and Charitable Objects.
- 7.2 **Discretionary Payments via the Tenant Participation Budget**
  - 7.2.1 As part of the annual SHA budget setting process, funds are allocated to a Tenant Participation budget with the aim of promoting tenant and resident involvement and wider community engagement.
  - 7.2.2 The Tenant Participation budget may be used to:
    - Assist with the development and support of Registered Tenant Organisations as provided for within the Housing (Scotland) Act 2001;
    - Promote tenant scrutiny activity

- Assist in promoting and providing financial assistance to resident involvement and community engagement and cohesion.

7.2.3 Payments to groups of tenants or residents within SHA stock and geographical areas of operation may be made at the discretion of SHA Housing Managers with the approval of the Director of Housing and Communities.

7.2.4 Any discretionary payment made in this way will be recorded in the Register of Donations and Payments (see Section 8) and reported to the Management Committee and the Shareholding Membership of the Association

### 7.3 **Community Benefits**

7.3.1 Community Benefits are a way by which SHA uses its spending power as a buyer of services to bring positive social, economic and environmental benefits to our communities as a result of our procurement activity.

7.3.2 The Procurement Reform (Scotland) Act 2014 provides for Community Benefit clauses to be incorporated into regulated procurements of a value of £4 million or more. This may take the form of successful contractors making cash donations, employing local people, delivering environment improvements or other benefits

7.3.3 SHA also looks to include community benefit clauses in other high value contract under the financial thresholds set out at section 7.3.2.

7.3.4 Donations received by SHA by way of Community Benefits and also donations made to groups by SHA arising from Community Benefits will also be recorded in the Register of Donations and Payments and reported to the Management Committee and the Shareholding Membership of the Association.

## 8. **REGISTER OF DONATIONS AND PAYMENTS**

8.1 SHA retains a register of donations which records all requests received for a donation, and all donations made by SHA. The Register of Donations and Payments will include the following information:

- The name of the organisation making a request or the beneficiary of the donation (and all relevant details);
- The total amount of the donation or payment made by SHA
- Date when donation was made
- Whether the request for a donation or payment was successful, and reasons for refusal of a request
- SHA staff member authorisation
- Date when the donation or payment was reported to the SHA Governing Body

8.2 Donations and payments which have been entered into the Register of Donations and Payments will be reported to the next available meeting of Management Committee.

## **9. DONATIONS AND LEGACIES MADE TO SHA**

- 9.1 SHA may accept donations or legacies from a donor
- 9.2 Where a potential donor has expressed a wish to leave a legacy to SHA in a will, SHA will liaise, where possible, with the donor through a representative e.g. a family member, solicitor or medical professional.
- 9.3 Where a donation or legacy to SHA is made by a donor without any restriction placed upon its use, SHA will determine how best to utilise the donation or legacy.

### **Fixed Asset Donations**

- 9.4 Where a donation or legacy of a fixed asset e.g. property is made to the SHA by a donor, then SHA will make arrangements for the asset's legal title to be transferred to SHA with any associated costs being borne by SHA.
- 9.5 SHA will not accept a donation or legacy of fixed assets which are not aligned with SHA's charitable objects, legal obligations or ethical principles, e.g. where a property is donated to the Association for the purpose of its sole use in accommodating one section of society and excluding others.
- 9.6 SHA may decide not to accept the donation of fixed assets, or a property whose condition is considered to be of such a poor condition that it may warrant remedial works at a prohibitive expense to SHA.
- 9.7 SHA may decide not to accept donations or legacies of fixed assets or properties which have restrictive covenants in place regarding change of use or development and/or improvement to meet contemporary housing standards. This may include where a building has been designated a listed building by Historical Environment Scotland.
- 9.8 SHA may choose to dispose of a fixed asset or property donated or left in legacy to a SHA by a donor, subject to the value realised being applied in alignment with SHA's aims and charitable objects. As set out section 7.7 restrictive covenants may result in a donation or legacy being declined.

### **Equity Stock**

- 9.9 With regard to a donation or legacy of equity stock listed on any exchange then SHA may retain the equity or stock holding earning dividends and participating in corporate activity e.g. rights issue, associated with stock as a stockholder. Dividends or earning on equities or stock are subject to them being applied in alignment with SHA's aims and charitable objects. Any corporate activity must be consistent with SHA's objects.
- 9.10 SHA may decide to dispose of the stock at a value and at a time of SHA's choosing subject to the value realised being applied in alignment with SHA's aims and charitable objects. Restrictive covenants preventing disposals may lead to a donation or legacy being declined.



## **Cash Donations**

- 9.11 Only designated SHA staff members will be permitted to receive cash donations. There may be a requirement therefore for a donor or their representative presenting a cash donation (whether by cash, cheque or otherwise) to attend at SHA's office at an arranged time to meet the designated staff member.
- 9.12 The designated staff member will issue a receipt to the donor or their representative and place the cash donation in the SHA safe
- 9.13 If the designated staff member is not the CEO, then they must inform the CEO of the donation. The CEO will in turn inform the SHA Management Committee.
- 9.14 SHA reserves the right not to accept a donation from any third party which does not support the aims and the advancement of SHA's charitable objects, or where any conditions of the donation are not appropriate and cannot be met.

## **Donations of other items**

- 9.15 The donation of chattels such as antiques or items of value not used in the business operations of SHA may be retained or disposed of at a value of SHA's choosing subject to the value realised being applied in alignment with SHA's aims and charitable objects
- 9.16 SHA may accept donations in kind and, unless directed otherwise by the donor, will exercise our discretion as to the suitability (e.g. whether it complies with appropriate regulations, safety standards or law) or distribution (e.g. to SHA tenants) of the donation in kind.
- 9.17 SHA may dispose of the donation in kind e.g. by way of a sale, subject to the value realised being applied in alignment with SHA's aims and charitable objects, or by way of discarding it, but only with the permission of the donor where this is possible, or the donor's executors.

## **10. RESTRICTED FUNDS**

- 10.1 Where a donor wishes their donation or legacy to be directed towards a specific project, or to benefit a specific geographical area or a class of beneficiary, SHA will assess the donation or legacy to ensure that the donor's wishes can be respected and implemented. Where this is possible, SHA will use the donation or legacy for the identified matter.
- 10.2 Where this is not possible e.g. because the project is not, in SHA's view any longer feasible or desirable, or the beneficiaries, then SHA's approach will depend on whether the donation or legacy forms a 'Restricted Fund' or not.

- 10.3 Restricted Funds are defined in charity law as property, including money, given to a charity for a specific purpose and in respect of which conditions have been imposed as to its use.
- 10.4 If the donation or legacy does not form a Restricted Fund, then SHA will apply the donation or legacy to an alternative aim most closely aligned with and related to the donor's wish or legacy.
- 10.5 If the donation or legacy is a Restricted Fund, then SHA will approach the donor if possible to ascertain the wishes of the donor and ensure that those wishes can be achieved, in a manner slightly different from that originally expressed by the donor. In the event that the donor's wishes cannot be ascertained (e.g. because the donor is deceased) then SHA will consider whether an application to the Office of the Scottish Charity Regulator (OSCR) for an application of Restricted Funds is appropriate. In the event that it is appropriate, SHA will follow OSCR's application of procedure and comply with any decision of OSCR on such an application.

## **11. REGISTER OF DONORS AND BENEFACTORS**

- 11.1 SHA retains a Register of Donors and Benefactors which records all donations and legacies made to SHA by donors. The Register of Donors and Benefactors will include:
- The name of the donor (and all relevant details);
  - Whether the donation or legacy is to be published or kept anonymous;
  - The total amount of the donation or legacy
  - Whether the donation or legacy is Restricted Fund or not and the type of restriction;
  - Whether the donation or legacy was in cash, assets, equities, chattels or kind;
  - The conditions, if any, (e.g. anonymity etc.) attached to the donation or legacy;
  - Details of any agents or representatives of the donors
- 11.2 In addition to the above at section 9.1, SHA will also assess whether the donation or legacy should be accepted, rejected and/or returned.

## **12. DELEGATED AUTHORITY**

- 12.1 Within the SHA Scheme of Delegated Authority, Management Committee delegates authority to the SHA Leadership Team for the administration of donations from the SHA Community Chest fund to qualifying organisations as set out within Section 6 of this Policy.
- 12.2 Authority is delegated by Management Committee to SHA operational staff to maintain the register of donations and the register of donors and benefactors.

12.3 Management Committee retains authority to approve of any disposals of fixed assets, equity stock or chattels donated to, or left in legacy to SHA by a donor or benefactor as set out within Section 8 of this policy.

### **13. MONITORING OF THIS POLICY**

13.1 Donations made by SHA will be reported on a quarterly basis to Management Committee by the CEO.

13.2 The CEO will also provide an annual report to Management Committee which will detail all donations made to qualifying organisations by SHA, and any donations or legacies made to SHA.

13.3 Donations made by SHA will also be reported to the SHA shareholding members at the Annual General Meeting.

### **14. EQUALITY AND HUMAN RIGHTS**

14.1 This policy reflects the Association's commitment to meeting our Equality obligations in advancing equality, promoting good relations and eliminating discrimination in the way we provide our services.

14.2 It also aims to reflect our commitment to considering the Equality and Human Rights impacts of what we do as a registered social landlord, including how we communicate and provide access to information to tenants and other service users.

14.3 This policy promotes equality and human rights by enabling SHA to offer financial assistance to 'not for profit' organisations who share SHA's charitable objects and work in the SHA geographical area to promote social inclusion activities

14.4 An Equality Impact Assessment has been completed in relation to this Policy.

### **15. POLICY REVIEW**

15.1 This policy will be subject to review every three years or sooner in the event of significant legislative or regulatory developments which impact this policy.



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