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| Purpose | To provide guidance in determining the name of service contribution to payments of koha and donations. |
| Scope | This policy applies to all staff, including contractors, management and Board/Directors of name of service.  All staff will be advised of the requirements of this policy on orientation to the service and ongoing as appropriate. |
| References | |
| Standards | [IRD guide](http://www.ird.govt.nz/non-profit/np-donations/)  [Charities Services: Koha](https://www.charities.govt.nz/new-reporting-standards/tier-4/operating-receipts-and-payments-categories/koha/)  [IRD Income tax and GST treatment of koha](http://www.ird.govt.nz/non-profit/np-donations/koha/np-donations-koha.html) |
| Service Documents | Financial Management  Sensitive Expenditure Policy |
| Definition:  Donation/ unconditional gift | An unconditional gift given or received for unsolicited services that complies with the IRD definition:  *“An unconditional gift is defined as a donation made to a non-profit body, where the giver (or any relation) does not receive any goods or services in return for the donation. This carries with it no obligations to account for tax. ”* |
| Definition: Koha | Giving koha is an integral part of Maori culture and significant protocol is attached to it. Traditionally koha has taken many forms but in more recent times it has tended to be in the form of money. |

Principles by which to make the decision for Koha/donations

Before the expense occurs

Board/Director/management authorised person

Staff are attending a cultural gathering or functions as a formal representative of name of service

There is an identified relationship between name of service and the recipient (a third party) of the donation or koha.

It can be clearly demonstrated that the donation or gift satisfies compliance with this policy/procedure.

If koha, is it justifiable in cultural terms

If donation, is it aligned with name of service vision and strategic goals.

Payments are not koha or donations if they have tax implications, such as payment:

* For education.
* For the use of Marae/organisation premises involving accommodation, food, drink and/ or other service - this is a business arrangement.

1. Any other payment that is not an unconditional gift.

Where attendance at a gathering is in a personal capacity, any koha will be the responsibility of the staff member concerned.

Koha shall be not be paid to name of service individual staff.



Koha/donation processes

Each instance

Person responsible for accounts

* All items of Koha/donations will be approved prior to being incurred.
* Applications for Koha/donations will include the :

1. rationale for the koha/donation
2. amount proposed.

* No reimbursement of payment will be accepted, as advance approval is required.

Approval

* Any payment of more than $.... shall be approved by the Board/Director(s).
* Koha or donations will be paid by ……
* Receipts should be obtained wherever possible. (Presenting koha to a Marae in cheque form is acceptable and it is not inappropriate to ask for a receipt).

Accounting for expenditure

Koha and donation transactions are reviewed to assess whether appropriate systems are in place. Consider:

* the amount of the transactions
* the frequency of transactions
* the recipients.

Review and monitoring

Examples of types of Koha/donations

* The donation relates to an activity or event that is consistent with the vision and strategic objectives of name of service.
* Guests are welcomed by mana whenua at the request of name of service.
* Support a conference opening.
* Opening/ blessing of a new building.
* Support/ lead of a powhiri, mihi whakatau or Poroporoaki.

If you are a service that receives koha you will need to follow the [IRD guidelines](http://www.ird.govt.nz/non-profit/np-donations/koha/np-donations-koha.html).

# Consultation

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| Group/Role | Date |
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