



Acceptance and Refusal of Donations Policy

Contents

1. Purpose
2. Ownership and Monitoring
3. Policy Guidelines
4. Further Guidance on the Policy

1. Purpose

The purpose of this policy is to allow Trustees and the fundraisers and management who support them, to make clear and consistent decisions regarding the acceptance or refusal of donations to Family for Every Child (Family).

The policy will aim to:

- clarify the Trustees' legal obligations with regard to the acceptance/refusal of donations
- help to ensure that decisions are not made on an ad hoc basis but are grounded in Family's mission and agreed policy objectives
- provide a clear objective standard against which external regulatory bodies can judge the actions of Family in cases of potential or actual dispute
- provide a clear unambiguous policy statement making decisions intelligible, easier to justify and credible to the public at large
- protect the reputation of Family against adverse public reaction from existing or potential supporters

2. Ownership and Monitoring

The responsibility for deciding whether a donation is accepted or refunded is the responsibility of the Trustees. However, the day to day responsibility for acceptance of most donations is delegated to members of the Fundraising team subject to the provisions included in this policy. The permissions for refunding donations are the same as Family's standard delegated authority for procurement. A record of the decision to refuse or refund a donation will be logged and kept by the Finance team. Such decisions will be documented by the Head of Fundraising & Communications and reviewed periodically by Trustees.

The policy will be monitored by the Head of Alliance & Governance and by periodic reviews by the Fundraising team.

3. Policy General Principles

Family will categorise donations as those it ***can receive, those that will always be refused and those that will always be reviewed.***

3.1 Donations Family will always refuse

a) Where acceptance of the donation would be unlawful (e.g. where Family knows the donation is from the proceeds from crime)

b) Where the donor restricts the donation for activities which are outside of Family's objects.

As a general rule if a donation is received which Family cannot accept given the requested restrictions, then a discussion is had between the Head of Fundraising & Communications and the donor (or executors in the case of a legacy) in order to explore if the donation can be changed so that Family can accept it.

The main exception to the rule is where the donation may have detrimental implications to achieving Family's objects or the detriment is likely to be greater than the benefit in which case the CEO or Head of Fundraising & Communications will inform the donor.

c) Donations from organisations that conflict with any other Family policy e.g. the Corporate Fundraising Policy

3.2. Donations Family will need to review before deciding whether to accept or refuse them

Potentially problematic donations will initially be highlighted to the Head of Fundraising & Communications who will decide whether there is an issue with the donation. If required the Head of Fundraising & Communications will escalate to the CEO, who in turn may choose to escalate to the Board of Trustees.

A decision to refuse a donation as a result of the detrimental implications of accepting it must be taken by the CEO.

Donations will need to be reviewed under the following circumstances:

- If there is a perceived reputational risk including if the loss of donations from other supporters or funders at least equivalent, over the long term, exceeds the value of the donation or if there are significant implications for the ability to recruit or retain staff
- If the donation isn't financially viable
- If the donation is outside the plans and budgets of Family
- If the donation is from those deemed vulnerable
- If there are restrictions and conditions attached (including legacies)
- Donations that will be difficult to utilise within a reasonable period of time
- Tainted charity donations
- Anonymous donations over £25k

4. Guidance on the Policy to Aid Decision Making Around Donations That Need to be Reviewed

4.1. Financial viability of donations

- Family will not split donations of less than £3,500
- Donations will not be split between a number of different areas when received via a donation agency website. If the amount raised is more than £3,500 then a split can be made subject to approval from the Head of Alliance & Governance
- Donations will be refused where to accept the donation for a particular activity would result in Family having to incur unacceptable costs beyond the initial donation
- Donations will be refused where it will be very difficult to monitor whether the donation has been spent in accordance with donors wishes without spending an unacceptable amount in administrative costs.
- Decisions on the financial viability of a donation are taken by the Head of Fundraising & Communications unless they are higher than £3,500, in which case the Head of Alliance & Governance and the CEO will be involved.

4.2. Donations outside plans and budgets

- Donations will be accepted which are within budget or are for aims, objectives or activities approved by the CEO or Board of Trustees
- If a donation or grant is received for an activity which has not been approved, the CEO will consult within the Secretariat to decide if Family is willing to undertake the work, considering amongst other things:
 - ❑ If the donation covers the total cost of the activity (including overhead percentage)
 - ❑ If the donation does not cover the entire cost of the activity but Family is willing to undertake the work within their current or future budgeted expenditure

4.3. Donations from those deemed vulnerable

- It is unlikely to be known when a donation is received that it is from a vulnerable person, however, if there is any indication of vulnerability the Head of Fundraising & Communications should be informed immediately. Family will then refer to the Fundraising Regulator and the Charity Commission rules to decide the appropriate course of action.

4.4. Donations with conditions attached

- Monies cannot be accepted which are conditional on part of the monies being sent to someone/somewhere else except in relation to a joint fundraising event with another registered charity.
- Monies cannot be accepted where Family is being used as part of a tax avoidance scheme which may be seen as an abuse of the Family's charitable status. To ensure these circumstances are identified a donation needs to be cleared by the Head of Alliance & Governance and the CEO before being accepted in the following cases:
 - Where the donor specifies that the monies must be sent to a particular organisation as a grant
 - Where the donor specifies that the monies must be sent to a particular organisation for an activity or item.

- Restricted donations that will be difficult to utilise within a 'reasonable period of time'. Under charity law and SORP 2015, donations must be utilised within a 'reasonable period of time'. What constitutes 'reasonable' is not defined.
- With the exception of endowments, in the following circumstances a donation will not be accepted on the grounds that it cannot be utilised within a reasonable period of time:
 - The donation will never be fully utilised (e.g. interest or income arising from the donation is likely to be greater than any expenditure on the donation).
 - A donation for less than £1m which is unlikely to be utilised within 10 years.
- For other donations which are unlikely to be utilised within 5 years a decision will be taken by the Head of Fundraising & Communications, Head of Alliance & Governance and the CEO on whether to accept the donation.
- Legacies with a restriction that can no longer be met. If a legacy is left to Family with a restriction that can no longer be met then we would speak to the executors to see if the restriction can be lifted. If agreement cannot be reached with the executor then advice should be sought from the Charity Commission.

4.5. Tainted charity donations

The rules on 'tainted charity donations' are complicated and therefore in the following circumstances donations will need to be cleared by the Head of Alliance & Governance and the CEO:

- The donor has entered into an arrangement with Family and the donation is connected to that arrangement AND
- The donor has set up an arrangement where they derive some benefit either directly or indirectly from the arrangement AND
- The benefit gained from the arrangement would be outside of the gift aid benefit rules, about which the HMRC website states: "for gifts of £1,000+ donors can receive benefits worth 5% of the value of the donation (up to £2,500)"

4.6. Anonymous donations

Anonymous donations received in England and Wales over the value of £25,000 have to be reported to the Charity Commission as a serious incident. Note this relates to donations where we do not know who the donor is and not donations where we know who the donor is but they wish to remain anonymous.