**Islington Giving acceptance and refusal of donations**

**Policy and process**

Updated 2023

Policy statement

1. As per the [Chartered Institute of Fundraising](https://ciof.org.uk/events-and-training/resources/acceptance%2C-refusal-and-return-a-practical-guide-t) guidance ‘donations to charities can, and should, only be refused in exceptional circumstances’.
2. There is no expectation that this policy will be referenced frequently.

Cripplegate Foundation (and its restricted fund, Islington Giving) is an independent local charity which aims to address inequality in Islington and Cripplegate Ward. We want to improve access to opportunities for everyone and to make lasting change.

In accordance with charity law and practice, charity trustees must act reasonably and prudently in the interests of their charity in pursuing the charity’s purposes, as set out in its constitution/mission. Therefore, members of staff and the Board of Trustees must, when deciding whether to refuse a donation, do so only if to accept it would be more detrimental to the charity than rejecting it.

When will Islington Giving refuse a donation?

We will not accept donations from organisations whose business directly undermines or runs counter to our [charitable objectives](https://cripplegate.org/about-us/introducing-cripplegate-foundation/). At present this would mean that we will not take donations from:

* High-interest lenders and payday lenders
* Tobacco companies
* Adult entertainment companies
* Arms manufacturers

This list does not affect legacy donations from individuals, or people giving their time as volunteers. This also does not affect low-level (under £100) sponsorship of third parties (ie. If a business matches employees’ regular donations or matched funds raised for challenge events).

We may also choose to refuse a donation outside these parameters if there is reputational risk to Islington Giving by accepting it. An example of this may be a business attempting to ‘whitewash’ bad practises by publicly giving to reputable causes. If there is a perceptible risk of this, the Director of Fundraising and Communications will refer the donation through the processes below.

The time spent investigating a donation should be proportionate to its value, as well as to the risk attached to acceptance.

We will not accept donations of any kind that are knowingly derived from criminal activity.

# Anonymous donations

Anonymous donations with a value of over £25,000 need to be reported to the Charity Commission. Anonymous donations over £5,000 will be reported to the Chair of Islington Giving and shared with Cripplegate Board members if deemed appropriate.

Restricted donations

Islington Giving has a responsibility to ensure that every penny donated goes to good use. If the cost of processing a donation (either because of the restrictions placed upon its usage, because of currency exchanges or any other reason) means that a significant portion of the donation’s value is lost, Islington Giving may refuse the donation or ask for the terms to be altered to make best use of the gift.

Returning donations

We will endeavour not to return donations. Our first action will be to try to repurpose the donation with the donor’s permission. However, if returning money becomes necessary the [Chartered Institute of Fundraising’s guidelines](https://ciof.org.uk/IoF/media/IOF/Policy/iof-acceptance-refusal-and-return-a-practical-guide-to-dealing-with-donations-%285%29.pdf?ext=.pdf) will be followed.

# Vulnerable donors

Islington Giving’s ethos is that everyone can give, and anyone can experience vulnerability at some point in their lives. This adds a layer of complexity to determining what constitutes a ‘vulnerable donor’.

We do not undertake aggressive fundraising practises (for example face to face street fundraising can be seen as aggressive) or solicit funds in high-pressure environments. By taking a relational approach to our fundraising activity we will minimise the risk of vulnerable donors feeling compelled to give.

If we discover that a vulnerable person has given to Islington Giving and there is representation that this was in error or due to an exploitation of their vulnerability, we will investigate thoroughly and take appropriate action, including prompt return of the donation if appropriate.

Internal process

Internal responsibilities

In the first instance the **Director of Fundraising and Communications** is responsible for ensuring any potential donor is supporting Islington Giving in accordance with the policy. If any element of the policy is contravened the Director of Development and Communications will make recommendations to the **Senior Management Team** (SMT) on the acceptance or refusal of suggested donations.

The Director will ensure that the **Islington Giving** **Chair and Vice Chair** are informed about any donation that they judge could potentially raise questions as to why the Charity rejected it or accepted it. The Director, assisted by the SMT, will present the case and key decision points for the Cripplegate Governors who are also Islington Giving board members (appointed governors) to make a recommendation of acceptance or refusal (this may be in person or via email).

The appointed Governors take overall legal responsibility for decisions relating to whether a donation is accepted or refused. On a day-to-day basis, the Charity’s Board of Governors delegates the responsibility to accept or refuse donations to the Director, assisted by the Senior Management Team (SMT).

**Process and Guidance**

* The fundraising team will actively monitor all donations over £10,000 but can also review donations of any size.
* The Development and Communications team will routinely share information with all staff (at staff meetings) and the Cripplegate Foundation Board (at board meetings) about donations received over £10,000. In addition, the Fundraising & Communications team will also share information with all staff and Cripplegate Foundation board about funding applications being made to new organisations.
* At any point, all members of staff and Cripplegate board members can raise any concerns they have with either donations received, or funding being applied for, in the following ways:
	+ Directly with the Director of Development & Communications during these meetings,
	+ With the Foundation’s Director, following the meeting during which the information was shared,
	+ With their line manager at any point.
* We will work to the following thresholds for a decision when soliciting, accepting and / or refusing a donation:
	+ Donations under £25,000; Director of Fundraising & Communications
	+ Donations £25,000 - £50,000; SMT
	+ Donations over £50,000; Board of Trustees
* The due diligence research template is to be used when approaching and soliciting new funders or donors and deciding whether to accept or reject an unsolicited donation: this is included in Appendix 1. Information gathered with the due diligence template should be used to assess the level of potential reputational risk that accepting a donation may pose to Islington Giving and Cripplegate Foundation. This information should then be used to help inform a decision to accept / reject a donation if unsolicited or continue with soliciting funding from a funder or donor. This decision should be assessed first between staff member and their manager and only escalated if there is a concern.
* In some instances, donations will be made without consulting Islington Giving via the online donation system, donorbox, postal cheques and other methods. Should a donation from an individual or organisation be identified after the funds have been transferred, the Donations Acceptance Policy will be followed and if the donation is rejected the funds will be returned.
* A fundraising agreement or donation may be reviewed at any time. This allows Islington Giving to consider information that becomes available after a donation has been accepted.
* Any anonymous donation of £25,000 or more will need to be reported to the Charity Commission as a Serious Incident. This will need to be signed off by the Board of Trustees.
* Anonymous donations over £5,000 will be reported to the Chair of Islington Giving and shared with Cripplegate Board members if necessary.

Communicating a decision

If it is necessary to refuse a donation (or a decision is made to accept one which may prove controversial), the following process will be followed:

* If necessary, a media strategy will be devised to deal with any potential negative interest,
* We will document the clear, internal process that was followed. This does not need to be detailed to the donor, or publicly
* In the case of a refusal, the board, supported by the SMT will decide who should communicate with the donor, and the level of information that is required to support that decision.

**Appendix 1: Summary of due diligence research template to be used when acceptance/rejection decision is escalated.**

* The Fundraising & Communications team should use desk-based research tools to answer the questions below. Entering appropriate terms into internet search engines (like Google, Bing or Yahoo) can help build a picture of the organisation / individual being researched.
* Decisions to accept or refuse a donation will be made using public information available to us at the time.
* Due diligence should be proportionate to the size of the donation and the resources available within the team:
* To be completed for all corporate supporters as part of researching new organisations to work with,
* Publicity to be checked for all trusts above £10,000 unless required at more detailed level due to issues being flagged at research stage,
* Publicity to be checked for all individuals above £10,000 unless required at more detailed level due to issues being flagged at research stage.

**Example Questions**

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| **Adversely affecting our beneficiaries:** Has the organisation negatively affected / has the potential to negatively affect the lives of the families or communities we support? |
| **Publicity:** Has the organisation been featured in recent or historic, or is associated with any negative publicity that could damage the reputation of Cripplegate Foundation or Islington Giving (and its ability to raise funds)? |
| **Crime:** Has the organisation been convicted of a crime or been investigated by a regulator and required to pay a fine? |
| **Harm:** Have the actions of the organisation caused harm to Islington communities and / or people we support? |
| **Business practice:** Is there evidence that the organisation employs poor business practices? Examples of poor business practices could be (but not limited to):* Human/workers’ rights
* Child labour
* Discrimination
 |
| **Trading:** Has the organisation been trading for one year/submitted one year’s worth ofAccounts? *Link here to report and accounts from Companies House.*  |
| **Affinity**: Is the organisation demonstrating commitment to Diversity, equality, and inclusion? (*provide and / or save any evidence that demonstrates this and look for any public info that suggests the organisation is not demonstrating a commitment to DEI*) |
| **Leadership:** Has the Individual/CEO/Chair/MD/Director/Trustees been involved in any issues or practices that could cause the charity to be viewed detrimentally by association with the organisation? |
|  |
| **Benefits of partnership** |
| Potential value (£) |
| Added value e.g. volunteering, behaviour change (if a company)  |
| Shared contacts and links |

Updated policy version 2

2023

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