

Corporate Donations Policy

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Purpose

The Blueprint for All (“BfA”) Board of Trustees have a personal legal responsibility for the charity’s management and administration, and are responsible for determining the charity’s policy and approach regarding fundraising and donor relations. Trustees should be aware of key policies on accepting donations and, when necessary, will play a role in the decision-making process where issues of high-risk are identified. Responsibility for the acceptance and refusal of gifts rests ultimately with the Board of Trustees even where decision-making has been delegated. The Board must demonstrate that it has acted in the best interests of BfA in each case, and great care must be taken over any decision to refuse a donation. This may be done legitimately in certain circumstances, for example where the Corporate Donations Policy would preclude acceptance of the donation. Judgements must not be influenced by the personal ethical viewpoints of members of the Board or those to whom they have delegated their decision-making.

This policy is intended to update and replace BfA’s existing corporate donations policies, and any other related policies of the charity, including prior Gift Acceptance and Due Diligence policies and procedures, in respect to corporate donations. The policy sets out the ethical parameters, risk management and decision-making requirements within which BfA will operate when it enters or renews all partnerships with for-profit companies to advance its mission.

BfA has a bold risk appetite around partnerships, and recognises that working in partnership with the private sector has the potential to deliver significant shared benefits. However, it is also recognised that there are complexities to the difficult decisions BfA may face in making the right partnering choices, both for the purpose of achieving our mission and for the good of the organisation as a whole.

These decisions are not always clear cut, and no policy can therefore cover every possibility. This policy allows the scale and scope of these corporate relationships to be defined, providing consistency and transparency to partnering decisions across the organisation, whilst minimising risk to our brand, operations and the communities engaged in our work.

This policy sets out how to do this, empowering staff to take appropriate decisions, balancing risk, opportunity and compatibility with BfA’s mission and values. It specifies the approach to assessing risk from an ethical perspective so that any risks to BfA can be understood.

This policy takes the form of principles rather than rules, in order to provide flexibility for actual situations that may arise. These guidelines are not confidential, but will not be actively publicised, in line with Charity Commission guidance.

As a charitable institution, BfA has a duty of care to its beneficiaries and a desire to show that it is sensitive to general concerns regarding ethical issues of fundraising. At the same time, BfA is required to maximise its income from fundraising in order to achieve its aims and objectives. In all cases, corporate partnerships and donations will be considered in-line with the charity’s statutory obligations and charitable aims, with particular reference to Charity Commission guidance, including the Charity Commission’s Due Diligence toolkit, SORP 2005 (a Statement of Recommended Practice which sets out how charities should prepare their annual accounts and report on their finances), and according to the Institute of Fundraising’s Code of Practice.

BfA recognises that the private sector has an important role to play in advancing our vision and mission. Funds raised by BfA provide vital support towards these goals, and we are grateful to those who contribute to making BfA's programmes possible. When BfA seeks the support of external organisations to work together to help achieve our respective goals we aim to ensure that:

- We have honest relationships with our donors
- We retain our independence and avoid over-reliance on one or more key donors
- We have consistent processes for making decisions about who we accept resources from
- We seek to be as cost effective as possible in developing sustainable fundraising streams.

This document is owned by the BfA Trustees and is intended to ensure transparency for all BfA stakeholders, and to address fundraising concerns. This document shall be reviewed annually.

Principles for Fundraising & Income Generation

Donations will be accepted on the understanding that they will not undermine the impartial, independent work (including research/consultancy) undertaken by BfA. Accepting grants, donations and sponsorship can bring with it an element of risk. When deciding whether to accept a donation BfA has a duty to weigh the benefits of the donations against the level of risk this will or might bring (and to identify if and how risks might be mitigated); demonstrate that they have acted in the best interests of BfA (and its beneficiaries in furtherance of its charitable purposes for the public benefit); and demonstrate that the association with any particular donor does not unduly compromise the organisation in any way, harm its reputation or put future funding at significant risk.

The main criteria for accepting partnerships or donations will be where there are grounds for believing that it will benefit BfA's mission. The BfA will not accept funding where the donation was known to be associated with criminal sources; would help further a donor's personal or business objectives when these are in conflict with the objectives of BfA; would lead to long-term and / or irreparable decline in support of BfA or in the resources available to fund our work; would cause long-term and / or irreparable damage our reputation.

As such, BfA actively seeks partnerships with private sector organisations with shared values to achieve shared objectives. However, BfA always maintains its independence and will end partnerships where it might otherwise be brought into disrepute. Partnerships do not express/imply BfA's endorsement of the external organisation or its policies.

Types of Risk

Corporate (and all other) donations present potential risks, and must be managed appropriately with consideration that donors may have motives other than philanthropy. Risks include:

- *Legal risk*: if the donor has generated the funds through underlying illegal activity, accepting a donation could breach legislation such as the Proceeds of Crime Act 2002, which could expose the organisation to legal or regulatory challenge.
- *Financial risk*: if the donor cannot honour the donation in full or in part and the organisation is heavily reliant on the anticipated donation funding key strategic expenditure.
- *Reputational risk*: if accepting the donation creates an association with an individual or entity which is perceived to be inappropriate or unethical by other stakeholders. This would include the perception of the public, employees and other significant donors.
- *Dependency risk*: if accepting the donation gives the donor an undue level of influence over the charity and its Trustees.

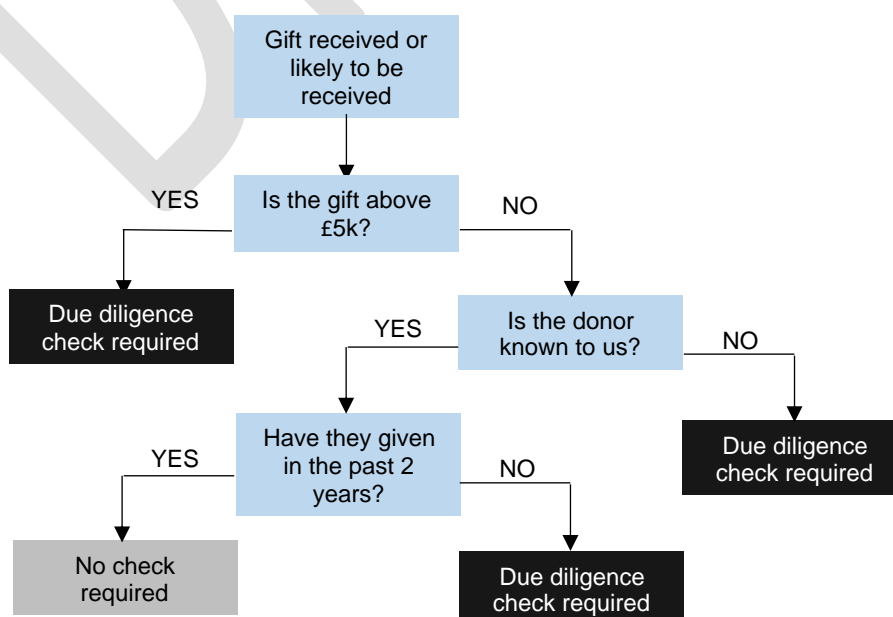
When to Carry Out Due Diligence

Working to guidelines produced by the Charity Commission in its Compliance Toolkit, BfA applies the 'Know Your' principles to due diligence activity. Specifically, the 'Know Your' principles are:

- Know Your Donor
- Know Your Beneficiaries
- Know Your Partner

The 'Know Your' principles are part of the legal duties and responsibilities of trustees in charity law. The core elements of due diligence across the 'Know Your' principles that help to ensure reasonable checks have been made and that BfA applies to all donations are:

- Identify – know who you are dealing with
 - Verify – where reasonable, and the risks are high, verify identities
 - Know an organisation's business and be assured they are appropriate to be involved with
 - Know what their specific business is with BfA – ensuring their objectives meet those of BfA
 - Watch out – be aware of unusual or suspicious activities, conduct or requests.
- The BfA Head of Income Generation will commission a due diligence report on any corporate prospect whenever specifically requested by the Trustees or BfA senior management, or if in the course of research it is thought warranted, or if in the opinion of the Head of Income Generation there is a possible ethical, legal, financial, dependency or reputational risk to BfA which ought to receive closer attention.
 - Every new corporate donation/partnership needs approval prior to acceptance, with varying levels of scrutiny applied. £10k is a common industry threshold trigger for due diligence checks, consistent with UK Money Laundering Regulations. However, fundraisers are expected to carry out risk assessments on *all* prospective corporate donations/partnerships, applying different processes depending on donation size and donor history. As per the flowchart below, due diligence must be completed for all donations above £5k. Under £5k, this need not be completed for donors who have contributed in the past 2 years, but must be conducted for all new prospects, albeit with a 'lighter touch' due diligence approach than on higher value donations.



- Once it is established that a due diligence check is required, the Income Generation Team will use publicly available material designed to highlight potential areas of controversy.
- The Income Generation Team will distinguish between mere allegation or rumour and confirmed fact or legal finding, although not disregarding the first if public perception alone carries a reputational risk for BfA, irrespective of the underlying truth. The Income Generation Team will follow the Institute of Fundraising's guidelines with regard to best research practice.
- Due diligence reports are merely recommendations; the ultimate decision for gift acceptance – on the strength of a positive due diligence report – lies with the Chief Executive Officer. In cases where the due diligence identifies issues of concern, the ultimate decision lies with the Board of Trustees.
- For regular (repeat) annual donors and multi-year gifts, due diligence will be repeated every two years to check for any ethical or reputational concerns which may or may not have been applicable at the time of their previous gift. This will form part of a biennial review of BfA's due diligence processes, which includes reviewing and updating this process document as needed according to any changes in sector best practice or organisational requirements.
- Principal sources for information will include the following regulatory authorities:
 - Financial Services Authority for companies registered and regulated by the authority <http://www.fsa.gov.uk/register/home.do>
 - The Charities Commission regulates charities in England and Wales <http://www.charity-commission.gov.uk/>
 - Office of the Scottish Charity Regulator regulates charitable organisations in Scotland <http://www.oscr.org.uk/>
 - Companies House registers all companies in the UK incorporated under the Companies Act and related legislation <http://www.companieshouse.gov.uk/>

High-Risk Industries / Sectors & International Sources

Although BfA does not proscribe working with any particular industry sector, it is recognised that BfA may have a number of existing partnerships with companies rated as high-risk. Such a classification does not rule out working with these industries, but indicates caution on how BfA proceeds with all new resource mobilisation opportunities. Whilst BfA is open to assessing new opportunities, partnerships of this kind are inherently controversial and should only be entered into following an enhanced due diligence assessment with additional risk management measures in place, as they are more likely to cause reputation damage.

The following are categorised as high-risk industries, due to their intrinsic harm to young people and the compatibility of BfA's mission. For this policy, high-risk means BfA will apply greater scrutiny to companies whose **primary income and/or brand association** is derived from the following:

- **Tobacco** – manufacturing, sales and/or marketing of tobacco and tobacco-related goods (including e-cigarettes).
- **Alcohol** – manufacturing, sales and/or marketing of alcoholic beverages (including accepting alcohol donations for fundraising or other events).
- **Armaments** – manufacturing, marketing or distribution of weapons. Careful judgement will need to be exercised around military supply companies and suppliers of components.
- **Pornography** - the production, distribution and/or marketing of pornography. It is not intended that this category is unduly restrictive to disqualify working with internet service providers or other companies whose platforms are used to host content as part of a wider portfolio of communications services.
- **Gambling** – provision of gambling platforms/facilities including casinos, sports betting and online gambling sites (not including national or postcode lotteries).
- **Extractive industries – fossil fuels** - the extraction, production or sales of fossil fuels (oil, gas, coal) where this accounts for 50% or more of the company's income.

The following are categorised as **high-risk factors or activities**:

- Pending major court cases and prominent allegations
- Evidence of illegal activity/links to organised crime
- Financial crime/corruption/bribery
- Money laundering and terrorism
- Provision of child labour and/or exploitive labour practices
- Evidence of human rights abuse
- Repression of civil liberties, freedom of expression and freedom of enquiry
- Non-compliance with the UK's Modern Slavery Act
- Evasion of tax or involvement with fraud
- Links to alleged or evidenced discrimination against a protected characteristic
- Violations of UN sanctions (as below)
- Irresponsible and exploitative lending
- Practices that lead to irresponsible and irreversible environmental degradation
- Donations which call into question BfA's independence or create conflicts of interest

Areas Which Automatically Qualify for Formal Review

1. Affiliation to any political party
2. Funds originating from countries under UN sanctions

HM Treasury issues a consolidated list of all persons and entities that are subject to sanctions which are effective in the UK via http://www.hm-treasury.gov.uk/fin_sanctions_index.htm

The persons and entities included on the list come from a wide range of nationalities and reside in a wide range of countries. As of this writing, there are a number of regimes to which financial sanctions have also been applied, and whilst donations from these countries are by no means prohibited, extra care should be taken in performing due diligence.

- Afghanistan
- Al Qaida & the Taliban
- Belarus
- Burundi
- Central African Republic
- Democratic Republic of Congo
- Egypt
- Eritrea
- Republic of Guinea
- Republic of Guinea-Bissau
- Iran
- Iraq
- Lebanon
- Libya
- Mali
- Myanmar
- North Korea
- Russia
- Somalia
- South Sudan
- Sudan
- Syria
- Venezuela
- Yemen
- Zimbabwe

For private sector prospects, companies can be checked against publicly available sanction lists in connection with suspected terrorist activities, money laundering, fraud or other crimes, for example HM Treasury Financial Sanctions at www.hm-treasury.gov.uk/fin_sanctions_index.htm or via the UK Government's list for persons believed to be involved in terrorist activity at www.gov.uk/government/publications/current-list-of-designated-persons-terrorism-and-terrorist-financing

Donor Research

The following questions are not intended to be asked in respect of each prospective donor. However, the Head of Income Generation may need to consider them depending on the risk, including the size and nature of the donation, and whether it appears to have any suspicious characteristics.

General Information (non-exhaustive)

- Who is the corporate donor?
- What is known about them?
- Do any additional identity checks need to be made (e.g., on company directors)?
- In what form is the money being received? Cash, cheque, bank transfer?
- Have any public concerns been raised about the donor or their activities?
- Would any adverse publicity about the donor have a damaging effect on BfA?
- Is the potential gift unsolicited?
- Is the company registered with regulators in the UK?
- Is the potential gift from a company involved with or connected to BfA activity, which could exert some kind of influence?
- Is there a link to 'Areas that automatically qualify for formal review'?
- Is there a link to anything that might incite protest from supporters, stakeholders or the public?
- Has BfA been asked to act as a conduit for the passing of a gift to a second body which may or may not be another charity?

The nature of the donation and any conditions

- What is the proposed donation size?
- Does the donation come with any conditions attached? What are they? Are they reasonable?
- Is the donation conditional on particular organisations/individuals being used to apply the funds?
- Is the donation conditional on being applied to benefit particular individuals directly or indirectly?
- Is the donation in sterling or another currency?
- Is the donor based, or does the money originate, outside the UK? If so, from which country? Does this country/area pose any specific risks?
- Is the donation received from a known donor but through an unknown party or an unusual payment mechanism where this would not be a typical method of payment?
- Is anything else unusual or strange about the donation?

What the Head of Income Generation Should Do If Suspicions Raised

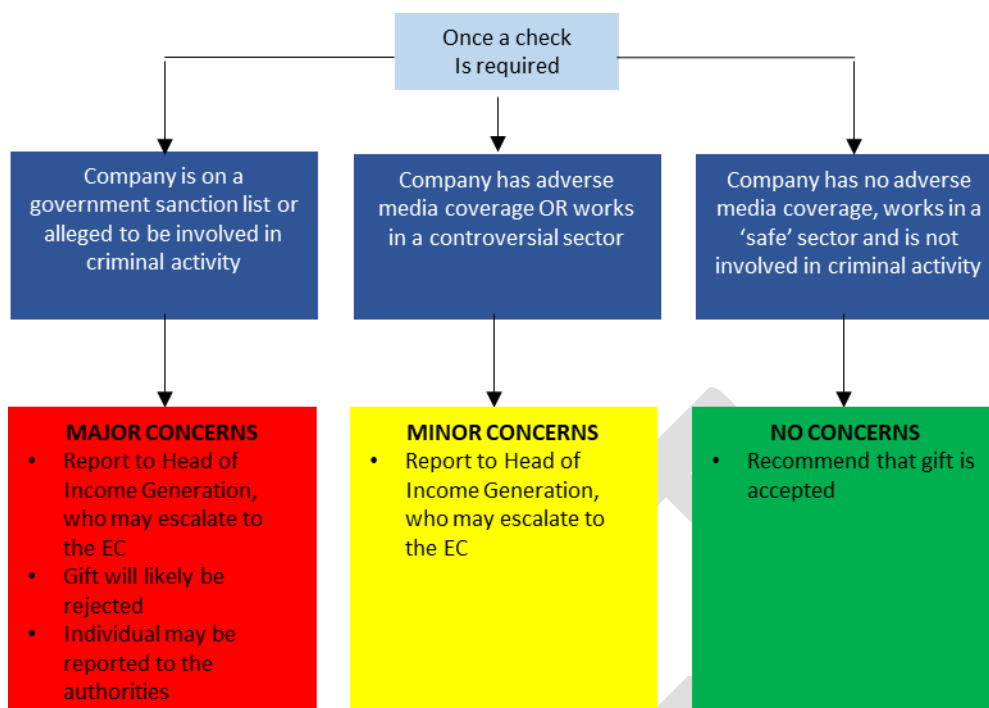
The Head of Income Generation should discuss the proposed donation with the Strategic Director in the first instance, who may refer the matter to the Chief Executive or full Board of Trustees.

If the Trustees have reasonable cause to suspect that a donation is related to terrorist financing, they are under specific legal duties under the Counter-Terrorism Act to report the matter to the police. In the case of money laundering, reports can be made to the police, a customs officer (HMRC), or an officer of the Serious Organised Crime Agency.

Such issues should be reported to the Commission under the reporting serious incidents regime, especially if significant sums of money or other property are donated to the charity from an unknown or unverified source. This could include an unusually large one-off donation or a series of smaller donations from a source that cannot be identified or checked. BfA would be expected to report any such payment (or payments) totalling £25k or more.

When to Consult BfA Trustees

- A set of staff and Trustees will form an Ethics Committee (“EC”) in order to assess potential problematic donations to ensure they meet standards for accepting such gifts, and that they do not conflict with BfA values or would otherwise cause a breach of legal obligations.
- The EC’s principal remit is to make a recommendation to the full BfA Board about whether a gift should be accepted or not. It is not a decision-making group in its own right, although the BfA Board may elect to delegate certain approval and decision-making authority to it.
- The EC will be constituted of at least two Trustees (one of whom will act as Chair), the Head of Income Generation, and BfA’s Strategic Director or delegate. In addition, other expertise may be recruited as requested. At least two Trustees must be present to constitute a quorum.
- The EC will meet on an as-needed basis, and no less often than twice a year.
- The EC will assess all new prospective partnerships rated as posing **Minor Concerns** or **Major Concerns**, as outlined (next page):



- When considering a partnership, the EC will assess the risks, and give consideration that:
 - other partners/donors may withdraw support or campaign against the partnership;
 - the partnership would result in negative publicity outweighing the partnership value;
 - A partnership or donation has the potential to reflect poorly on the institution and/or arouse negative press attention.
- Any partnerships or donations that cause concern will be considered on a case-by-case basis by the Board of Trustees as appropriate before agreements are put in place.
- The EC will meet to consider the matters referred to it. Minutes will be kept of its discussions and key points from the minutes which inform the decision-makers in taking their decisions (as noted above) will be presented to next subsequent meeting of the BfA Board, as relevant, together with the research material and reports and supporting documents, as required.

Declining a Donation

When considering a partnership, the charity will retain the right to decline a partnership or donation if, *inter alia*:

- the actions of the donor are damaging to the charity, its reputation or its beneficiaries;
- the reputation or activities of the donor risks discouraging other donors;
- acceptance might give the impression that the donor expects the charity or anyone associated with it to perform some function or activity improperly, or to confer upon him/her some form of advantage;
- the cost of servicing the sponsorship or donation is greater than its value, or unreasonable in terms of its size or impact on the work of the charity;
- the offer of support is tied to a particular project or activity which, whilst reflecting the charity's objectives, is nevertheless impractical;
- there is suspicion of money laundering.

Control

- Control and coordination of all activities within BfA in connection with fundraising will be centralised by the Head of Income Generation, acting on delegated authority from the Board, who retain overall responsibility for all decisions regarding the acceptance and refusal of donations.
- The Head of Income Generation will at all times bear in mind the legal principles underpinning the acceptance of donations, as set out, and all other advice that may be given from time to time.
- Legal or other advice may be sought in matters relating to the acceptance of gifts where, for example, a donation is proposed which may provide a benefit to a donor or a person or business connected to the donor.

Anonymous Gifts

BfA will make every possible effort to find the source of cash that reach it anonymously. However, as advised by the Charity Commission, the 'Know Your Donor' principles do not mean that BfA cannot accept anonymous donations. It is, however, the institution's responsibility to look out for suspicious circumstances, put adequate checks and safeguards in place, ensure record keeping is accurate and that any concerns or suspicious activity is reported to the appropriate authorities.

Corporate donors do on occasion request that their gifts remain anonymous, and their identity is to be kept restricted to a small number of named members of the charity. In these circumstances, it is important that the charity is clear about the nature of the relationship and makes the donor aware that their anonymity cannot necessarily be given an absolute guarantee under Freedom of Information legislation.

Donations from Corporate Charitable Foundations

Donations and grants of any size from charitable foundations (including corporate foundations) registered with the regulatory authorities in the UK will not normally be subject to an ethical review, and can be progressed to the signing of an appropriate agreement with the funder. For the United Kingdom this means charities regulated and scrutinised by the Charity Commission for England and Wales, the Office of the Scottish Charity Regulator, and the Charity Commission for Northern Ireland.

Restricted Gifts

Subject to the provisions of this policy, the Head of Income Generation:

- may accept restricted gifts, including those made with an expression of wishes that the gift be used for a particular purpose within BfA's objects;
- may accept gifts for particular projects provided whose purposes are within BfA's objects and capable of being carried out;
- will not accept gifts that are too difficult or costly to administer or gifts that are for purposes outside the purposes of BfA.

Where a gift is proposed to be made for restricted purposes, the Head of Income Generation will consider, prior to accepting such a donation, whether the proposed project would be an appropriate project for BfA in the circumstances including:

- whether the proposed project is an effective way of furthering BfA's objects;
- the intended impact of the proposed project;
- the anticipated financial cost of involvement in the proposed project;
- the impact the proposed project would have on BfA's reputation;
- whether the proposed project could be carried out in a manner that is lawful.

Data Protection Policy

The Head of Income Generation must maintain a database which records donor information, including names, contact details, and details of all donations to BfA. Furthermore, a record will be kept of all points of contact between BfA and the donor, including correspondence and event attendance.

BfA is obliged under the terms of the Data Protection Act not to disclose any personal or contact details for any donor or member to an outside party. However, it will:

- Not store 'sensitive data', as defined by the Data Protection Act; religious and political views, details of sexuality, race or disability, etc.
- Never record comments that could cause distress, including personal opinions of people or companies. All comments are limited to facts, and nothing of a potentially defamatory nature
- Not record data unless it serves a business purpose
- Not hold records on people who are not linked to BfA.

Records

All advice and research material received in respect of corporate funders, sponsors and partners, as well as any conclusions or views as to the prudence of accepting the potential funding expressed by the Board, and all information concerning countries or their regimes gathered in the context of this donations policy, will be retained on file and notes will be made and retained if discussions have been oral and not in writing.