

**ARTS EMERGENCY****TITLE: ACCEPTANCE AND REFUSAL OF DONATIONS POLICY****Author: Director of Fundraising & Marketing****Owner: Chief Executive Officer****Approval: Approved – Senior Leadership Team (SLT), 26 April 2023  
Approved – Finance & Resources Committee, 28 April 2023  
Approved – Board of Trustees, 2 October 2023****Date:** 2 October 2023**Version:** 1**Date of next Review:** three yearly unless new legislation or best practice require earlier revision.**Contents:**

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## **1 INTRODUCTION**

Financial support from individuals and organisations is essential to deliver the aims of The Arts Emergency Service (hereafter referred to as Arts Emergency), leading to better programmes and support for creative young people. We welcome partnerships with, and gifts from, a wide range of supporters.

In exceptional circumstances, however, it may be necessary to refuse support if acceptance would prejudice the aims of Arts Emergency, compromise its independence, or threaten its reputation.

## **2 POLICY STATEMENT**

The Board of Trustees (Board) of Arts Emergency have overall responsibility to ensure that decisions are made in the best interest of the charity and our beneficiaries. This includes responsibility to “Know Your Donor” (see Appendix A) and carry out appropriate and proportionate due diligence and risk assessment related to acceptance of gifts. This policy outlines how Arts Emergency undertakes these responsibilities, ensuring due diligence is undertaken for relevant support and potential partnerships.

The policy outlines Arts Emergency’s approach to philanthropic funding and partnerships and aims to make our approach transparent. Whilst the vast majority of support is extremely welcome, there may be instances where the reputation and operation of the charity needs to be protected from claims of impropriety, whether founded or unfounded. Key areas are outlined in section 4 below, but are not exhaustive.

This policy relates to philanthropic support, grant funding and partnerships with individuals, charities, and companies based both within and outside the UK. The UK Government, its agencies, including research funding councils, and arm’s length bodies such as Arts Council England and British Council are not covered by this policy.

Risks of accepting specific support include but are not limited to:

- reduction in support from others
- decline in volunteer numbers or applications to join as employees
- negative reaction from programme participants, or a decline in applications
- negative reaction from current employees
- negative media reports
- conditions that put Arts Emergency’s independence at risk.

This policy outlines how we might review potential support, and clarifies how we would work with companies from certain industries.

## **3 RELEVANT EXTERNAL BODIES AND ADVICE**

This policy is informed by the following external advice:

### **Charity Commission:**

Charities: due diligence, monitoring and verifying the end use of charitable funds (Compliance toolkit, Chapter 2)

<https://www.gov.uk/government/publications/charities-due-diligence-checks-and-monitoring-end-use-of-funds>

**Chartered Institute of Fundraising:**

Guidance on accepting, refusing, and returning donations

<https://ciof.org.uk/events-and-training/resources/acceptance.-refusal-and-return-a-practical-guide-t>

Any updates to this advice will be taken into account when reviewing this policy.

**4 DETAILS OF THE POLICY****Factors to consider**

Arts Emergency reserves the right to refuse a donation if offered by an individual or organisation engaged with activities conflicting with Arts Emergency's mission and values. Arts Emergency will consider factors such as:

- Exclusionary or exploitative practices
- Anti-LGBTQ+ stances
- Pay day and high interest loans
- Excessive fossil fuel dependency
- Supply of arms and ammunition
- Organisations that negatively impact health, such as tobacco

This list is not exhaustive.

Arts Emergency will also consider if:

- The cost of accepting the gift is greater than the value of the gift itself
- The gift is made with the intention of influencing Arts Emergency or an implicit or explicit exchange for favours or benefits
- The gift would otherwise bring Arts Emergency into disrepute or involve the organisation in controversy or publicity that would do meaningful damage to Arts Emergency's reputation

**Anonymous donations**

In line with guidance from the Charity Commission, donations over £25,000 where Arts Emergency cannot identify the donor are reported to the Charity Commission as a Serious Incident. The Charity Commission is clear, however, that charities are free to accept anonymous donations where there are no suspicious circumstances.

Arts Emergency follows the principle of "Know Your Donor" to ensure that support is not received that may be linked to, or the proceeds of, criminal activity.

This does not restrict the right of the donor to remain anonymous in public acknowledgements of Arts Emergency's supporters.

**Restricted donations**

Arts Emergency is happy to restrict funding to specific areas of work, and will account for income and expenditure recognising restricted funds. We may, however, refuse donations with restrictions that cannot be met, or would otherwise restrict or place undue burden on Arts Emergency's ability to deliver or to be seen to deliver the full

scope of its objectives. Arts Emergency will always seek to communicate with the donor, or the executors in the case of a legacy, taking advice from the Charity Commission if appropriate.

### **Equality Act 2010**

Arts Emergency may accept donations that limit benefits to people who share a protected characteristic under the Act, although this may exclude people with other protected characteristics. In keeping with the Act, Arts Emergency will ensure that such cases will:

- a) Tackle disadvantage where it exists, and/or
- b) Achieve a legitimate aim in a proportionate way

To be clear, such donations would support planned charitable activity in keeping with our overall aims and strategy.

### **Gifts from employees, volunteers, and related individuals or organisations**

Arts Emergency welcomes and values support from these individuals and organisations, but this does not confer on the donor any benefit or preferment beyond the usual recognition and stewardship offered to donors.

### **Commercial Partnerships**

Commercial partnerships are an important way for companies to support the communities within which they operate, as well as involve employees and customers in charitable activity.

Particular care will be taken to review the benefits and risks to all parties before entering a commercial partnership.

### **Money Laundering**

Any evidence of money laundering is considered through due diligence, in line with the “Know Your Donor” guidelines from the Charity Commission (see Appendix A).

Charities are increasingly targets for money laundering, and we will question unusual donor requests (such as returning gifts via a different method to which they were received) as suggested within the Charity Commission advice.

As necessary, Arts Emergency will also have regard to Proscribed Organisations and Financial Sanctions Targets as defined by the UK Government and listed here:

<https://www.gov.uk/government/publications/proscribed-terror-groups-or-organisations--2>

<https://www.gov.uk/government/publications/financial-sanctions-consolidated-list-of-targets>

### **Illegal Activity**

Arts Emergency will not accept support that is the result of illegal activity on the part of the donor.

In assessing this risk, in line with our Privacy Policy (see Appendix B), only information from reputable public sources, such as national newspapers or government websites, is taken into account.

### **Returning Gifts**

Arts Emergency will not normally return a gift which has been accepted in good faith and in compliance with this policy. Exceptionally, subsequent events or the subsequent availability of additional information may give rise to the need to review a previous decision to accept a gift.

The Director of Fundraising & Marketing will review in the first instance, and raise with the Chief Executive Officer to make initial decision and escalate as necessary.

## **5 ROLES AND RESPONSIBILITIES**

Day to day implementation of this policy is delegated to the Director of Fundraising & Marketing.

Individual fundraisers in the team are responsible for bringing relevant potential support to their attention.

## **6 PROCEDURES FOR FOLLOWING THE POLICY**

- Fundraisers undertake “Know Your Donor” due diligence on new supporters or partnerships of £10,000 or over
- If the information is unclear or if there are concerns, a briefing will be produced, including the completed due diligence research form, and shared for discussion with the Director of Fundraising & Marketing in the first instance, followed by the Chief Executive Officer
- Concern briefings are raised with the Finance & Resources Committee, alongside a full list of all donations received over £10,000
- The Finance & Resources Committee give recommendations to accept or refuse donations with concerns, which are discussed and decided upon by the Board
- Research information, and decisions to go ahead or decline support, are securely stored on the Arts Emergency Customer Relationship Management (CRM) system in line with our Privacy Policy (see Appendix B)
- Senior Leadership Team are notified of decisions to decline support, with reasons via Director of Fundraising & Marketing
- Any decision about the acceptance or return of gifts below £10,000 will be made by the Director of Fundraising & Marketing, and agreed with the Chief Executive Officer (or another member of the SLT in their absence)

## **7 DOCUMENT HISTORY**

### **Document location**

This document is available on the Arts Emergency website.

**Document review and approvals**

Version	Name	Role	Date of Review/ Approval	Comments
1	Senior Leadership Team	Reviewer	26 April 2023	Recommended to the Finance and Resources committee and Board for approval
1	Finance and Resources Committee	Reviewer	28 April 2023	Recommended to the Board for approval
1	Board of Trustees	Approver	2 October 2023	Approved

**8 APPENDICES****Appendix A**

Know Your Donor guidance from Charity Commission:

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/550694/Tool\\_6.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/550694/Tool_6.pdf)

**Appendix B**

Arts Emergency Privacy Policy

[www.arts-emergency.org/privacy-policy](http://www.arts-emergency.org/privacy-policy)