



### **Gift Acceptance or Refusal (Due Diligence)**

**Approved by:** Board of Trustees (TBC)

**Implemented by:** Chief Executive Officer

**Overseen and monitored by:** the Board of Trustees

**Decision for review or amendment to be taken by:** the Board of Trustees

These policies and guidelines govern the acceptance of gifts by Caxton Youth Organisation and provide guidance to prospective donors and their advisors when making gifts to the charity. They have been developed following the Charity Commission Guidance and in accordance with the Fundraising Regulatory Code requirements. It draws on guidance on accepting and refusing donations from the Institute of Fundraising. The guidance can be found here <https://ciof.org.uk/events-and-training/resources/acceptance,-refusal-and-return-a-practical-guide-t>

#### **Acceptance of gifts**

Caxton Youth Organisation accepts all gifts unless:

- 1) There is a question as to whether the donor has sufficient title to the asset given or is mentally competent to transfer the asset to the charity legally. Caxton reserves the right not to accept gifts offered.
- 2) It would be unlawful to accept the donation as Caxton is aware the gift comprises the proceeds of a crime
- 3) Accepting the donation would be detrimental to the achievements of the Caxton as laid out in our constitution. We recognise that such detrimental or anticipated detriment has to be set against the benefit of having the funds from the donor, which enables the organisation to pursue its purposes. This is likely to be that accepting the donation would be contrary to our ethics and values. To refuse a donation there must be evidence that accepting the donation will be detrimental to Caxton achieving its purposes.

***This policy applies to all donations including gifts received through capital campaigns and special projects: it applies to all gift sizes and to all gift types including***

- One time or regular cash gifts (from individuals and corporate sources)
- Legacies
- Trusts
- Real estate with fair market value (FMV)



- Stocks, bonds and mutual funds with FMV
- Marketable tangible assets
- Life insurance policies
- Non-cash gifts.

**Gifts in-kind:** Caxton will accept appropriate in-kind contributions of skilled services and tangible assets consistent with the purpose and objectives of the charity, in accordance with established acceptance policies and procedures.

**Corporate partnerships:** Before entering a corporate partnership for the purposes of fundraising Caxton will ensure there are no conflicts of interest, or potential conflicts of interest relating to the partnership and will undertake due diligence which is proportionate to the scale and size of the partnership.

### **Know your Donor**

Caxton will ensure that for any donation of over £500 they understand who the donor is and seek to understand the individual's or organisation's business to ensure the purposes are appropriate for Caxton to be linked with. We will seek to understand the donors' intentions of engaging with Caxton and ensure there is confidence Caxton can deliver what the donor is seeking to achieve.

Caxton will take additional steps to verify the purposes of an organisation or donor who seeks to make a donation from outside of the UK. Further steps will be taken to verify the provenance of the funds. If in undertaking due diligence around a donation Caxton becomes suspicious of activities taking place which may be illegal taking place, we will report this to the responsible authorities.

**Anonymous Donations** The Chair will exercise their discretion with regards to accepting or refusing anonymous donations of £1,000 or more. They reserve the right to decline the donation unless they are received via a trusted third party that has independent due diligence processes (e.g. CAF). Caxton will report anonymous donations with a value of over £25,000 to the Charity Commission as a serious incident.

**Money laundering:** In accepting and recording gifts, Caxton will adopt money laundering controls which may include due diligence checks on the donor and, where there is reasonable doubt, may refuse a donation or inform the relevant authority.

**Reputational Risk:** In accepting gifts, the fundraising committee has discretion to refuse a donation which may pose a reputational risk to Caxton e.g. due to ethical issues.

### **What is a No-Go Donation?**



Donations deriving from wealth creating activities that are incompatible with our charitable objects are classified as “No-Go” donations. Our ‘No-Go’ areas are donations from any organisation or individual who has generated a material amount of their turnover or wealth through the following activities, as we believe these activities are inherently harmful to young people:

- o Pornography
- o Tobacco
- o Arms manufacturing and export
- o Gambling
- o Pay-day lenders
- o Where the proposed donation arises in whole or in part from any illegal activity
- o Organisations and individuals with publicly known extremist views

Caxton may also decide not to accept donations from individuals or organisations that are facing judicial proceedings in the UK or in another court until the proceedings have finished.

This list is not exhaustive and Caxton reserves the right to review and return any donation on an individual basis. Where the Board is concerned about a donation or sponsorship, they may seek the views of the Charity Commission or an order from the Charity Commission sanctioning their decision. If the Board ultimately decide to refuse a donation or sponsorship, a careful record of the Board’s decision, and the reason for it, must be kept.

### **Procedures**

Requests, acknowledgements and record-keeping for restricted or unrestricted donations or gifts will originate in the Caxton fundraising team.

For any donation which may pose a risk to Caxton because:

- 1) It is being received from outside of the UK
- 2) It is unclear who the donation is from and/or the business which the individual or organisation was undertaking to generate the funds
- 3) There is a potential risk that the business of an individual or organisation is not aligned with the moral and ethical values of Caxton Youth Organisation
- 4) The individual or organisation is going through court proceedings in the UK or elsewhere in the world or has criminal convictions.



The written procedure will be followed using the 'know your donor' form and a risk checking exercise will be carried out by the Fundraising Manager. A decision to refuse the donation will be taken by the Chair of the Board of Trustees, who will be informed of a risk by the CEO. Any donors which may pose a reputational risk to Caxton will be brought to the attention of the Fundraising and Finance Committee as a standing agenda item at meetings.

**Restricted gifts:**

Caxton will only use a restricted gift for the purpose for which it is given. Restricted gifts will be clearly recorded in Caxton's accounts, which are publicly available. If a restricted gift for a UK based project cannot be used for the purpose given, or has been held for 4 years without being used we will liaise with the donor to confirm if they are happy for us to continue to hold it for that purpose, or permission sought for alternative use or the donation will be returned.

**Confidentiality of information:**

- Information learned by any representative of Caxton about a donor or the donor's assets or philanthropic intentions and all details related to gift negotiation will be held in strict confidence, electronically or otherwise.
- Donors will be encouraged to notify Caxton of their planned gifts, including bequests, and all such information will be kept confidential unless written permission to release it is obtained from the donor or his or her counsel or unless use of such information is required in the administration of the gift.
- All relevant Freedom of Information Act and Data Protection legislation will be observed.
- Some information will be held for Gift Aid recovery purposes.

**Who is responsible for the donation acceptance policy?**

Caxton Youth Organisation's Board of Trustees is ultimately responsible for compliance with this policy, with the support of Caxton's Fundraising and Finance Committee, and its CEO. The Board takes ultimate responsibility for accepting or refusing a donation or sponsorship. It is their responsibility to act in the best interest of Caxton when accepting gifts. This policy will be reviewed every year, or more frequently should legislative requirements change.

**Changes to this Gift Acceptance Policy:**

These policies and guidelines have been reviewed and accepted by Caxton's Fundraising and Finance Committee which must approve any changes to, or deviations from, these policies.

**Policy Reviewed:**

Signed by: .....Date: 11/10/21



Name: Rachel Akehurst

Position: CEO

Date to be reviewed: October 2023