



## DONATION AND FUNDING ACCEPTANCE POLICY

Reviewed by Trustees: 09/04/2020

### 1. Introduction

This policy describes Camcycle's (Cambridge Cycling Campaign's) policy on how and when it will accept donations, sponsorship or other forms of funding, to ensure that all such funding can help the charity continue to pursue its charitable objectives, by balancing our need to raise funds to continue our work with the need to protect our reputation and objectivity in the short and long term.

### 2. Principles and definitions

#### *Principles*

- Camcycle welcomes donations and other sources of funding, recognising these as a vital resource to help meet our charitable objectives.
- Donations and funding are accepted where the donation supports our Charitable objects.
- Funders will receive no special influence over our policy-making.
- There is a presumption that all sources of funding should be transparent, to avoid actual or perceived bias.
- Funding should not result in reputational damage that undermines the objectives of the charity.

#### *Definitions*

The **Charity** is Cambridge Cycling Campaign, Charity number 1138098.

**Funding** is any form of income including donations, grants, sponsorship or other forms of funding.

A **major donor** or **major funder** is a single source (individual or organisation) responsible for providing more than £600 of income (trading + charitable) in total over the course of a single financial year.

**Smaller funding** is any funding that isn't from a major funder.

**Potentially controversial donor** or **potentially controversial funder**. A person or organisation for which acceptance of a donation or funding of any size could potentially cause an adverse impact on the Charity's reputation or ability to meet its charitable objectives.

**Corporate body**: A company, another charity or funder, a government organisation etc.

**Anonymous donation**: Funding where the source of the funding cannot be identified by the charity.

## *Types of funding*

- Donation
- Grants
- Membership subscriptions
- Sponsorship
- Advertising
- Other trading income

## **3. Risk management**

### *Risks*

This policy seeks to document how the Charity addresses the following risks relating to the acceptance of donations or funding:

*Objectivity.* Where the size of a donation or funding is a significant part of our income, it may impact the Charity's objectivity, such that the Charity may make decisions that consciously or unconsciously support a funder's position above the long-term interests of the Charity.

*Reputation.* The behaviour or reputation of an individual/organisation responsible for a donation may have an adverse impact on the reputation of the charity if they are associated with the Charity through their donation or funding, and this may in turn discourage other donors and funders or otherwise adversely impact our work.

*Contrary aims.* A Funder or donor may be actively pursuing aims that are contrary to our charitable objectives, and may be using funding or a donation to the Charity to seek to further these aims. Care is needed to determine if funding could give the appearance of any of the above, highlighting the need for the Charity to be accountable and transparent where appropriate.

### *Balance of considerations*

Although ethics, values and risk will be important in reaching any decision, these cannot be the decisive factors. The Charity legally needs to be able to demonstrate that acceptance of a donation would be detrimental to the achievement of its purposes before refusing it. For example, such refusal may be applicable where it is evident that the acceptance of a donation would most likely lead to:

- The loss of donations from other supporters or funders at least equivalent, over the long term, to the value of the donation
- The loss of volunteers whose services would be at least of as great value as the donation
- The loss of staff or inability to recruit staff
- Reputational damage that will impact the effectiveness of our campaigning work.

## **4. Detailed policies and procedure**

The Executive Director is responsible for the day-to-day operation of this policy, although all staff members and trustees should be aware of it and raise any issues that come to their attention with the Chair or Executive Director.

The trustees take ultimate responsibility for accepting or refusing a donation or sponsorship. It is their responsibility to act in the best interest of the Charity when accepting funding to the Charity.

### *Soliciting funding*

We will solicit funding in compliance with all laws, in particular with regard to GDPR and electronic communications rules and any guidance issued by the Charity Commission.

Major funders will be made aware of the key elements of this policy when soliciting funds, in particular with regard to transparency and disclosure.

### *Acceptance of funding*

It is not feasible for a small charity to scrutinise all small funding, the vast majority of which are small membership subscriptions. Accordingly, membership applications and donations below our major funding threshold will not be proactively screened. These are in any case considered not to present significant risks.

Any issues with a member of Camcycle should be treated in accordance with our membership policies. In general, it is acceptable without further consideration for anyone including a potentially controversial funder who is not a major funder to be a member as long as they remain in compliance with our membership policies and support the aims and objectives of the charity.

For grants, donations or prospective donations that would result in the funder becoming a major funder, due diligence should be undertaken by the Charity in the following areas:

- Where applicable, identify which individual or individuals are the ultimate source of any major donation or funding before accepting the donation.
- Perform reasonable due diligence on major funding to identify if the donation could be from an unacceptable source, e.g. criminal activities or activities in opposition to our charitable aims, or if there are any other indicators that the funder is a potentially controversial funder.
- We will take reasonable steps to ensure the donation has been freely given by the source of the funds (i.e. capacity to decide, vulnerability of donor, not made in error).

If no issues are identified, Camcycle staff are ordinarily authorised by the trustees to accept the funding, which will be reported to the trustees in accordance with the disclosure policy.

Where any issues are identified, these should be discussed in the first instance in a committee-only discussion thread, or if necessary or convenient, at the next trustees meeting.

Before acceptance, the Charity will discuss with the donor if Gift Aid will apply to the donation, and seek to obtain a suitable Gift Aid declaration if appropriate, in order to maximise the benefit to the charity.

Before acceptance, the Charity should discuss with the donor any preference they have in respect of how the donation will be disclosed (and acknowledged). (See section below – Disclosure and Accountability).

Advertising and Sponsorship may imply a degree of endorsement by the charity, and as such basic due diligence should be undertaken on all potential advertisers and sponsors before acceptance regardless of the value. This should include understanding who the advertiser or sponsor is, and what are the high level aims and objectives of the funder. Any issues identified should be handled as for issues with major donations.

Acceptance of any funding should be decided in accordance with the principles and specific examples outlined in this policy and the appendix, and if necessary acceptance should be made on

condition of, for example, the funder agreeing not to imply any endorsement from the Charity for their own work or objectives.

In the event that problems come to light with funding of any size after acceptance that may impact our reputation, this shall be escalated to the trustees to consider what action should be taken with regard to any previous and potential future donations.

If a very large donation or funding is offered (more than 10% of our expected annual income), this shall be discussed by trustees before acceptance to consider whether any controls or conditions required, in order to avoid any threat to our objectivity of perception of such a threat.

All donations made for a restricted purpose should be considered by trustees before acceptance to ensure that the restrictions support our charitable purpose and strategy. This may be through the opportunity for trustees to scrutinise restricted purpose grant applications prior to submission.

### *Timing of acceptance*

It may not always be clear to the Charity or the funder when funding has been accepted. For many donations, particularly larger donations, there may be a process involving solicitation by the Charity, and an offer of funding, in which case there is a clear opportunity to consider whether an offer of funding should be accepted in accordance with this policy. Care should be taken to avoid implying acceptance if further consideration is required.

Any consideration of acceptance should be implemented as quickly as is practical after an offer has been made.

Wherever possible, acceptance of funding should be formally acknowledged by thanking the funder promptly.

In some cases, funding may be transferred to our account or a cheque sent, e.g. as a donation, before we have had a chance to consider acceptance of the donation. In this case, the usual acceptance procedures should still be carried out. If this results in an issue so serious that trustees believe a donation or funding should be returned, such cases shall be discussed by a full trustee meeting, after taking advice from the Charity Commission and in accordance with Charity Commission rules.

### *Disclosure and transparency*

The Charity will report major funding in accordance with this policy in a way that balances our need for high levels of transparency with an individual's privacy and any relevant data protection laws.

Funding will be reported in our Annual Report.

The Treasurer will maintain a register of major funders that should be available to trustees upon request.

This policy will be made public on the Charity's website.

### *Disclosure and transparency – Individuals*

We should encourage individual donors to be open about their donation. However, it is recognised that some funders acting with the purest of motives for giving may be wary of disclosure on the grounds of wanting to avoid appearing to be boasting about their generosity.

Small funding will be recorded against the donor's record in our database, and the data will be kept confidential in accordance with our privacy policy and fundraising policies (i.e. accessible to those who have access to such information in our database for legitimate purposes).

All major donations will be reported to the next meeting of the board of trustees, including the name of the donor, together with a brief summary of any relevant due diligence carried out.

Upon the major donor giving their permission, their donation will be publicly acknowledged by name in our Annual Report. If permission is not given to name the individual donor publicly, the donation will be reported in our annual report with a brief description of the donor profile, e.g. "Anonymous donor, £x,000, long standing member of the campaign and Cambridge resident.", by way of providing reassurance to readers about the motives of the donation.

### *Disclosure and transparency – corporate and charitable bodies*

All corporate donors and sponsors will be acknowledged in the Charity's Annual Report.

Other trading income (i.e. advertising, services, merchandise) of amounts over £600 received from incorporated organisations will also be acknowledged.

All advertising and sponsorship should contain sufficient information for anyone to identify the source of the funding.

The only exception to public disclosure of the name of a donor is funding from a charitable or not-for-profit body where the terms of the grant or donation require anonymity and our trustees have been unable to negotiate an exception. As always, the trustees shall satisfy themselves that the risks identified above have been considered. In this situation, a brief description of the donor profile will be given, e.g. "Charitable trust based in East Anglia providing grants for core funding"

## **Appendix 1: Acceptance of funding – specific examples**

These are specific examples of how the policy might apply to particular situations.

1. Property Developers/Landowners/Related Agents: Should be accepted where the purpose of funding is understood, and this funding at the proposed level is consistent with legitimate commercial aims of promoting their organisation, and not so material that it would give the impression of impacting our objectivity when commenting on planning applications etc.
2. Funders whose aims and objectives directly contradict or undermine our charitable objectives, e.g. Car manufacturers – we shouldn't accept funding of any kind, though an advert for a car-sharing or ride-sharing scheme aimed at reducing congestion and operated by a manufacturer is likely to be considered acceptable.
3. Greenwashing – funders using support for Camcycle to offset the potentially damaging environmental effect of their other activities. The charity is likely to be required legally to accept such funding, as long as those activities do not run contrary to our charitable objectives or create undue risks as outlined earlier. (Although see significant controversial funders below.)
4. Significantly controversial funders: People and organisations whose public reputation (whether justified or not) is such that acceptance of funding would cause serious damage to our reputation, e.g. individual convicted of a serious criminal offence, or company subject to

a widespread and relevant consumer boycott for their behaviour – we shouldn't accept funding of any kind.

5. Organisations consistent with our aims whose behaviour has some degree of potential to damage our charitable objectives, e.g. unregulated bike-sharing schemes – accept donation/corporation memberships at a reasonable level, or minor advertisements/sponsorship opportunities.
6. Funding from government bodies: Local Councils, GCP etc: Acceptable where this is not at such a high level as is likely to influence our position and approach.

## **Appendix 2: Further reading**

- Acceptance, refusal & return: a practical guide to dealing with donations, Institute of Fundraising, May 2018.