



P90.4 –ACCEPTANCE AND REFUSAL OF CHARITABLE GIFTS POLICY

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Revision History

Revision	Paragraph Number	Revision
November 2019		New

Abbreviations, Acronyms and Definitions

Abbreviation / Acronym	Definition

Aim / Objective / Statement of Intent

1. This policy has been set out by the Governors of The Yehudi Menuhin School. It is a public guide to how The Yehudi Menuhin School makes decisions on accepting and refusing donations and the procedures they follow.
2. The purpose of this **Acceptance and Refusal of Charitable Gifts Policy** is to ensure the reputations of all parties, i.e. donors and The Yehudi Menuhin School, be wholly protected from any real or perceived impropriety in the relationship that is established through the offer and receipt of a charitable gift.
3. This policy is aligned with the Code of Fundraising Practice published by the Institute of Fundraising in the United Kingdom.
4. This document makes clear the Governors' legal obligations with regard to the acceptance and refusal of donations. It outlines the day-to-day procedures that need to be adhered to and ensures that decisions are not taken on an ad-hoc basis, but are in support of The Yehudi Menuhin School's strategy and objectives.
5. This policy provides a clear objective standard against which external bodies can judge The Yehudi Menuhin School's actions in cases of potential or actual dispute, and should protect the School's reputation against adverse public reaction from existing or potential supporters.

The Governors' Legal Obligations with Respect to the Acceptance or Refusal of Donations

6. The Governors take overall legal responsibility for decisions relating to whether a donation is accepted or refused.
7. The Governors must be able to demonstrate that they have acted in the best interest of the School in each and every case.
8. The Governors have a duty to consider carefully, on the basis of the evidence made available to them, whether the School's interests will be better served by accepting or refusing the donation and to act accordingly.
9. These judgments must not promote any Governor or employee's personal moral agenda or interest and the Governors must not allow individual or collective personal, political or ethical issues, which are not directly related to the interests of the School, to affect their judgment.

10. Governors must derive no personal benefit (individually or collectively) from donations, loans or other material support offered to the School.

Definition of Charitable Gifts

11. Charitable donations and gifts include, but are not exclusively limited to, gifts from individuals, corporates, trusts and foundations from the UK and overseas in the form of cash or cheques, property, shares or bonds, tangible personal property (gifts in kind) and legacy gifts.

Guiding Principles on the Acceptance of Gifts

12. We welcome gifts that support the aims of the School. A suggested donation must be clearly evaluated in order to establish whether it would be in the best interest of The Yehudi Menuhin School to accept or refuse it. The donation will be evaluated against these factors:

- The donation should contribute towards the School's overall strategy and plans
- The School should be able to successfully deliver the agreed activity and advance its mission under the conditions tied to the donation, such as schedule and channelling of payment(s), required co-funding if any, reporting requirements and other legal aspects of the gift agreement
- The donor's objectives or activities must not appear to be incompatible with the School's vision, mission and values, particularly if this risks causing significant damage to the School's integrity, public image or professional reputation

Refusal of Gifts

13. The Yehudi Menuhin School will refuse donations in any of the following circumstances:

- Where the activities of a donor are directly contrary to the vision, mission, objectives or agreed policies of the School or the School suspects that the gift has been donated to facilitate money laundering or other criminal activity
- Where it can be clearly shown that the cost to the School of accepting a donation will be greater than the value of the donation itself, and that acceptance of the donation will directly lead to a net decline in the assets of the School

- Where the wealth of donating companies or individuals is known to result from illegal activities or where there are indications of corruption and related to economic crime
- Where the donation is judged to harm the School's relationship with its pupils, parents, benefactors, partners, local community or other external stakeholders
- Where accepting the donation may result in any legal action against the School
- Where accepting the donation may damage the reputation or cause other harm to the School
- Where the offer of support is dependent upon the fulfilment of certain conditions placed upon the School and any condition:
 - a) is in itself contrary to the objectives of the School
 - b) is regarded as needing an unreasonable level of support from the School especially in relation to the size or impact the donation will have on the School's charitable activities
 - c) will divert the School from pursuing its current objectives, policies or work priorities as a necessary result of the fulfilment of the conditions alone.

14. The Governors (and their delegates) will take great care and consideration in deciding whether to accept or refuse a donation:

- Where an offer of support is dependent upon the School first spending its own money or resources in order to facilitate the conditions of the donation, as this might place the School's assets under undue and inappropriate risk. Donations should preferably be given in full up-front or alternatively in instalments linked to an agreed contract and work plan.
- Where the support, whilst reflecting the School's objectives, is untenable. For example, if the School does not have the resources to maintain the running costs associated with the donation.
- Where the support consists of goods, services or property which the School cannot lawfully use, convert, exchange or sell in direct support of its charitable objectives.

15. The School recognises that perceptions of what is acceptable and factors affecting reputations may change over time. In its acceptance of gifts, the School will act in good faith according to the standards prevailing at the time of receipt.

16. Following receipt of a philanthropic donation, should information come to light about the source of funds or donor which is judged to fall under the provisions set out under paragraph 13, the School shall deploy procedures outlined under **Return of Gifts**.

Due Diligence – key principles

17. The Development Office will take all reasonable measures to ensure it is aware of the source of funding for gifts and will undertake due diligence to ensure that gifts are for purposes consistent with the School's vision and mission; no legal or reputational issues are raised by their acceptance; that the activity to be funded does not create unacceptable conflicts of interest for the School and that the nature of level of the gift does not result in unacceptable current or future financial liabilities for the School.
18. Due diligence will be undertaken in order to conform to statutory requirements and recommended best practices, particularly the "Know Your Donor" principles developed by the Charity Commission. The Charitable Gifts Due Diligence Process is particularly concerned with the 'Identify' (i.e. know who you are dealing with) and 'Verify' (i.e. where reasonable and the risks are very high, verify this) elements of this checklist.
19. Due diligence will be carried out by the Development Office insofar as is permitted by privacy and data protection restrictions. To manage the balance between the need to know and the right to privacy, in its due diligence investigation the Development Office will typically focus on reviewing and noting only information that is relevant to the funds or donor and that is in the public domain. All searches will be undertaken and documented in compliance with relevant privacy law, the School's Privacy Policy for Supporters (P90.2), and with the recognition that individual donors and prospective donors have the right to request personal data held about them by the School, including reasons for refusing gifts.
20. The Development Office shall maintain a secure Due Diligence Log in which all reports completed under the Charitable Gifts Due Diligence Process are recorded and stored, in accordance with data protection, privacy and records retention legislation and the School's Privacy Policy for Supporters (P90.2). Acceptance and refusal of gifts will be securely recorded within the Development Office database.
21. It should be noted that gifts which are exempt from this due diligence process include grants of any size from charitable foundations registered with the regulatory authorities in the UK, EU and other parts of the world. These will not be subject to ethical review and can be progressed to the signing of an appropriate agreement with the funder if such support does not contravene the stated 'refusal of gifts' element of this policy.

22. If a gift is offered anonymously, so that the donor is unknown to anyone in the School, the Development Office will be charged with seeking such information from the donor's representatives so as to ensure that it would be appropriate for the School to accept the funds. This will involve consideration of the Guiding Principles outlined in previous sections of this document and any other possible influence that might be exercised by or any potential benefit that might be derived by a donor who seeks to remain anonymous. Where gifts arrive with no paperwork and it is impossible to return the gifts, the funds will normally be retained and credited to the School's Annual Fund.
23. This policy excludes anonymous cash donations that are collected as part of retiring collections at concerts or similar events, where pupils from the School are taking part and where a proportion or the totality of the monies raised have been specifically raised for the School.
24. Where conditions are attached to the offer of a Gift, other than designating use for a specific project for which fundraising is taking place, the School will not normally accept a gift prior to ensuring that any imposed conditions are appropriate and can be satisfactorily met.
25. Where the offer of a gift relates to a bursary, student hardship grant or prize, the donor may wish to set selection criteria to be used in deciding how to make the award. The School will ensure that the selection criteria being used by the third-party do not themselves amount to unlawful discrimination.
26. Donors will receive appropriate acknowledgement of their gifts, and their gifts will be used for the purposes for which they are given. Unrestricted gifts will be allocated to the School's Annual fund, and used for projects or other School activities and expenditure at the discretion of the School.

Procedures and lines of responsibility

27. The School Governors take overall legal responsibility for decisions relating to whether a donation is accepted or refused.
28. On a day-to-day basis, the Governors delegate the responsibility to accept or refuse donations to the School's Head, assisted by the Development Office, as per the procedures outlined below:

Gifts up to £5,000

29. Gifts up to £5,000 will normally be accepted by the Development Office without further investigation if (i) they are given without conditions in support of an existing fundraising project or programme and (ii) are received from donors already known or on the School's donor database. In other cases the Development Director and his /

her delegate will judge whether to accept the gift, conduct a more extensive process of due diligence, or liaise with the donor regarding any concerns.

Gifts between £5,000 and £9,999

30. All such gifts will be immediately notified to the Development Office on their offer or receipt, which will initiate an appropriate process of due diligence and assign a named contact within the Development team.
31. Donors offering pledges valued at over £5,000 will be asked to complete a gift agreement that outlines the detail of the gift, the project to be supported (if restricted), a pledge payment schedule and naming rights (if applicable). Where a donation is from a Trust or Foundation, the Development Office will normally follow the gift agreement procedures stipulated by the Trust or Foundation. Where no such procedures exist, the Development Office will provide a gift agreement as outlined above. A separate gift agreement is not necessary for donors who are signing up to the Menuhin Circle.
32. Agreements and charitable income up to £10,000 will be signed by the donor and the Development Director on behalf of the School.

Gifts between £10,000 and £99,999

33. Appropriate diligence including risk assessment will be undertaken. Agreements and charitable income will be authorised by the Head.

Gifts of £100,000+

34. Appropriate diligence including risk assessment will be undertaken. Agreements and charitable income will be authorised by the Head on recommendation from the Governors. The Development Office will be responsible for providing the Governors with sufficient facts pertaining to the donation in question, to enable the Governors to come to a fair and informed decision on acceptance.

Policy concerning specific industries

35. The School will not accept corporate donations from companies involved in the following industries, which the School believes are inherently damaging to children:
 - Pornography
 - Tobacco
 - Arms manufacturing and export

However, if an employee of such a company, due to personal circumstances, wishes to support and donate to the charity from personal efforts, this is acceptable. Not

accepting their donations, based on whom they work for, would be unacceptable discrimination.

Return of Gifts

36. Gifts made to the School will not normally be returned to the donor.
37. In cases where a gift with agreed restrictions has been received by the School in good faith, but where circumstances have changed so that the original purposes of the gift cannot be fulfilled in whole or in part, then the School will normally seek to use the funds, or the Gift in Kind, in a way that closely corresponds to the original objectives of the donor, consulting the donor or the donor's representative wherever possible. If no agreement can be reached, the funds will be returned, minus any funds already spent on the original purposes of the gift. In the case of a Gift in Kind, such a gift would only be returned in exceptional circumstances.
38. Gifts that are paid in error by the donor's bank, and bank overpayments, will be refunded to the donor.

Rights of Donors and Prospective Donors

39. The School is committed to its donors and remains dedicated to treating Alumni, Friends and all supporters with the highest level of care and respect. The School is registered with the Fundraising Regulator, adheres to the Code of Fundraising Practice (PDF) and constantly reviews fundraising practices to make sure they are legal, open, honest and respectful.

Related Policies and Further Reference

Internal Policies

[Privacy Notice for Supporters](#)

External Legislation and Guidance

40. As a way to pre-empt possible disputes and / or negative publicity in potentially difficult cases, the School, as a UK registered charity, has the option of applying to the Charity Commission for an order authorising The Yehudi Menuhin School to refuse a donation. This is contained within powers conferred on the Charity Commission by Section 105, Charities Act 2011.
41. Section 61, Charities Act 1992, Part II, provides for the return of donations of more than GBP100 made by credit/debit card within a seven day 'cooling off' period.

Further Help and Advice

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