

Donation Acceptance and Refusal Policy

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1. Background

Gympanzees is committed to making decisions that are in the best interest of the communities that we work with. This policy sets out the criteria and approval process for Gympanzees to be able to accept a donation from an individual or company and apply to a foundation or any other source to ensure that we are not compromising our mission or values. By implementing this policy, we have a robust, transparent and informed decision-making process for all donations, which will mitigate the risk to our service offer, staff, reputation, financial position or brand.

This policy is reviewed every two years by Gympanzees' Board of Trustees who delegate responsibility of delivery of this policy to the SLT.

We are committed to raising income to fund Gympanzees' Lending Library, running costs and to raise the funds needed to build the permanent Gympanzees facility in Bristol, and costs thereafter. These enable us to carry out our objectives to provide play, exercise and friendship for children and young people with disabilities.

Donations from individuals, companies, foundations and other funders are vital to our organisation. It is, therefore, important to have a robust and transparent decision-making process in accepting donations from all sources to assess the potential risk and impact a donation may have. Any donation or engagement with a potential funder should be considered by Gympanzees fully and in line with Gympanzees' objectives and a robust due diligence process.

Our key principles of responsible fundraising are:

1. We have honest relationships with our donors and sponsors; all communications are truthful and transparent.
2. All monies raised are used exclusively for the purposes specified and/or with any pre-agreed restrictions and in accordance with our stated mission and purpose.
3. Donors or sponsors support our values of accessibility, inclusivity and equality, no relationship can be to the detriment of these values.



4. All fundraising initiatives reflect our values and do not compromise the reputational standing of either ourselves or our donors
5. We adhere to all the Fundraising Regulator's codes of practice to ensure best practice, transparency and accountability.

2. Policy Statement

All large donations exceeding £25,000 will comply with the Charity Commission's 'Know Your Donor' principles by carrying out reasonable due diligence on its donors who donate or gift £25,000 or more, in order to:

1. Identify and Verify: ensure we know who our donors are.
2. Know: their sources of wealth, business activities and who their associates are.
3. Watch out: for unusual or suspicious activities or requests attached to donations.
4. Ensure there is no conflict of with Gympanzees policies, nor conflicts of interests with staff, or whose business practices can be reasonably perceived as opposed to those of Gympanzees.

In addition, as stipulated by the Fundraising Code of Practice, due diligence will be carried out before a donation or gift solicited by a Gympanzees employee is accepted.

3. Scope

A donation is defined as:

1. Cash (including legacies and sponsorship)
2. Gift in kind / pro bono support
3. Shares, investments or any other type of asset

Donations may be unrestricted or restricted (for example to a particular activity, project or research funding). Donations accepted should be in line with 'In-budget' activities. Any donations received for out of budget activity needs prior authorisation.

Donation acceptance must be in line with the following limits, as included in the Delegation of Authority Policy:



Total award value	£0 to £25k	£25,001 to £500k	£500,001 to £999,999	£1m+
Review	(If restricted: Finance Director)	Finance Director	Finance Director & Director of Fundraising	Finance Director, Director of Fundraising & CEO
Approve	Director of Fundraising	Director of Fundraising	CEO	Board
Notify		SMT	SMT, Board	SMT

4. Gift Acceptance Principles

The following principles will be considered when seeking gifts and/or when deciding to accept or decline gifts. Would this gift:

1. Support the delivery of the vision and objectives of Gympanzees and ensure that their values are upheld.
2. Ensure that Gympanzees maintain a strong reputation, credibility, integrity and independence.
3. Encourage any behaviour and/or activities that would contradict Gympanzees' core values and increase harm to the disabled community

5. Types of Donations Gympanzees can Accept

1. Donations of any amount (due diligence for donations which exceed £25,000 is completed. Including solicited and unsolicited gifts) refer to Due Diligence Policy.
2. Publicly traded shares at fair market values
3. Land and buildings
4. Personal property
5. Gifts in kind such as - but not limited to - venues, catering and advertising, services in support of the redevelopment of the site

Gympanzees may also be named as the beneficiary of planned gifts:

1. Residuary legacies – a gift made of some or all of the remainder of an estate after all other gifts have been handed out and debts paid off



2. Pecuniary legacies – a gift made of a fixed sum of money
3. Specific legacies – a particular named item left as a gift in a will, for example shares, property, jewellery, furniture or a painting.

6. Gift Refusal

When a gift is refused, Trustees or the relevant internal individual or group to which they have delegated authority to, must demonstrate that they have acted in the best interests of the charity. Any decision to refuse must not be influenced by one's personal viewpoints. Gifts can only be refused in two exceptional circumstances:

7. Refusal on a legal basis

A gift must be refused if it is believed that acceptance is likely to contravene any legislation, in particular:

1. Proceeds of Crime Act 2002 5
2. Money Laundering Regulations 2007
3. Terrorism Act 2000 and other relevant anti-terrorism legislation
4. Bribery Act 2010
5. Criminal Finances Act 2017

8. Refusal on a values and ethical basis

A gift can be refused if acceptance would be more detrimental to the achievement of Gympanzees' objectives than refusing it. In other words, to refuse a gift, the Trustees or the relevant internal individual should be reasonably satisfied that the consequences of accepting the gift will outweigh the monetary benefits.

They should also assess whether conditions attached to gifts are incompatible with Gympanzees' objectives. Lastly, they must use an evidence-based assessment of any possible adverse reputational impact resulting from acceptance, in particular:

1. Loss of credibility of Gympanzees
2. Loss of donations
3. Loss of staff, volunteers or inability to recruit



4. Anticipated negative impact on our organisational mission
5. Unacceptable risk to Gympanzees' brand and/or reputation (including sectors, individuals or companies at odds with Gympanzees' objectives)
6. Unacceptable financial risk
7. Unacceptable risk of low returns on investment of Gympanzees' time, energy, and resources
8. A breach of our ethics statement

In any relationship, Gympanzees' independence must be protected, retaining the right to disagree and openly challenge partners and funders with whom we engage. Where the relationships are formally documented or contracted, the Memorandum of Understanding/contract should contain a clause to this effect.

9. Sectors That Gympanzees Will Not Engage With

Gympanzees will treat the following factors as high-risk due to the following reasons:

1. an incompatibility with Gympanzees commitment to safeguarding children,
2. the potential to compromise Trustees' duty to protect the charity from harm and comply with the law, and
3. the possibility of donor vulnerability.

Please note that this list of high-risk donations and behaviours is not exhaustive.

10. Industries and Practices

No engagement can be undertaken with companies and funders directly engaged in:

1. Pornography
2. Arms or weapons manufacturing or sales
3. Intentional use of exploitative child labour or forced labour in production or sourcing processes
4. Political Parties
5. Carbon intensive fossil fuels - thermal coal, oil shale and tar sands



6. Manufacturers of Breast-Milk Substitutes (BMS) - Where there is evidence of a BMS company violating The International Code of Marketing of Breast Milk Substitutes and subsequent resolutions.

Or:

11. Behaviours

1. Donor has allegations of offences against children or offences relating to the effective safeguarding of children
2. Donor is recorded on Home Office Proscribed Organisations list
3. Donor is recorded on HM Treasury Financial Sanctions Targets list
4. Donor has serious public concerns i.e. controversy regarding their activities and association with them would likely result in adverse reputational impact for Gympanzees
5. Inability to verify identity and/or address and/or employment of donor
6. Donation is anonymous, unverifiable and exceeds £25k
7. Donor has an identifiable record of directorship disqualification
8. Donor has an identifiable record of company bankruptcy and insolvency
9. Donor has criminal convictions attached to them
10. Donor has severe allegations of criminal behaviour attached to them
11. Donor is reluctant to provide basic information about themselves and their business activities
12. Donor has attached questionable or unreasonable conditions or transfer arrangements to their donation
13. Donor appears to be vulnerable or at risk.

The sectors listed above will be reviewed by the Trustees annually with this policy for the purpose of assessing whether other sectors or behaviours need to be added.

We do not screen individual donations by their employers, this is inclusive of any matched corporate donations that may be received as part of an individual's fundraising efforts. This is outside the scope of this policy and the capacity of Gympanzees.



We will not undertake business with companies or individuals who participate in activities that could cause detriment to the charity's reputation and could disproportionately decrease the amount of donations to further the work of the charity.

12. Sectors Where Due Diligence Must Be Applied in Each Case:

1. Manufacture and/or aggressive marketing of tobacco products.
2. Manufacture and/ or aggressive marketing of Alcohol products.
3. Fossil fuels industry
4. Gambling Industry
5. Drugs/ Chemicals
6. Religious groups

Each new potential partner will be considered on a case-by-case basis and will only be granted sign off on approval from SLT or the Trustees.

13. Record Keeping

All refused gifts must have a record of the decision to refuse it and reasons why, as stipulated by the Fundraising Code of Practice 2019.

In addition, all documentation relating to due diligence, internal escalations, acceptance or refusal, must be confidentially stored and retained for the period of time specified by the records retention schedule.

14. Duty to report and comply

Trustees and staff have a duty to report any evidence of crime, terrorist financing, money laundering and other suspicious circumstances to the police and, in severe cases, to the Charity Commission. All such suspicions should be reported to the Finance Director, for inclusion on the Fraud Register. The Finance Director Is responsible for Investigating and reporting to the relevant regulatory body.

Trustees and staff can be personally and criminally liable for committing an offence under certain money laundering and terrorist financing legislation or by allowing such an offence to be committed. This includes failure to report knowledge or suspicions of terrorist financing.



Failure to comply may result in disciplinary action and serious reputational damage to the organisation. If you suspect that this policy is being breached, you should raise concerns with your line manager or in accordance with the Whistleblowing Policy.

15. Assessing The Risk and Value of a Donation

To understand and assess the potential risk associated with a donation or donor partnership, at a minimum, Gympanzees will conduct research via a risk assessment for an individual or due diligence for an organisation. The research will remain private and confidential.

Roles and Responsibilities:

1. The relevant fundraising team member will complete the research in the first instance.
2. Potential donations which are deemed to be risky, or which result in a red or amber rating through the due diligence process will then be referred to the Director of Fundraising to enable immediate action.
3. If there is a financial risk involved, the Finance Director will be consulted.
4. For corporate organisations, the Director of Fundraising will consult with the CEO who may refer any high-value or high-risk engagement to the Chair of the Board of Trustees who will decide on whether the proposed engagement needs to be referred to the Trustees.
5. Decisions will be made within 5 working days.
6. Individuals who request to remain anonymous to some trustees will have due diligence applied in confidence by the CEO and Chair.

Gympanzees uses the Charity Commission's ['Know you Donor Key Questions'](#) to ensure that we assess appropriately the risks for each type of donor. (This form can be found at the bottom of this policy).

Gympanzees will perform due diligence for donations that exceed £25,000, using the Key Questions. Link to form [Due diligence record.xlsx](#)

The detail provided would be as follows:-

- Company - Name/Address/How much/Company primary activity
- Foundation or Trust - Name/Address/How much/Aim & Objectives of the trust
- Individual - Name/Address/How much/Source of wealth



Gympanzees will, therefore, hold the required information on donor organisations and individuals solely for this purpose for the duration that we work with them and 6 years after this period.

(See Gympanzees' Privacy Policy and Gympanzees' Data Protection Policy.)

Common across each type of donor process is the research which will cover the following so that an appropriate, informed decision can be made whether to proceed with engagement.

1. The company, Funder or Individual's activities and alleged practices may reflect poorly on Gympanzees or be counter to our mission of improving the quality of life for disabled people through play, exercise and friendship.
2. The potential risk to Gympanzees' image and reputation with the public, our respective donors, and/or existing partners from negative publicity about the company or allegations of harmful business practices.
3. An unacceptable risk of low returns on investment of Gympanzees' time, energy, and resources.

The research/due diligence includes the origin or source of funds, looking behind the organisation to the ownership of that organisation and how the funds have been generated.

Following the research or due diligence, Gympanzees will discuss areas of concern with the company, funder or individual. This enables assessment of their openness to Gympanzees' ethics statement and establishes the groundwork for a strong, transparent engagement. This conversation will remain private and confidential until a decision is made on whether to proceed with the engagement.

A single or a series of anonymous donations of £25,000 or above will be reported to the National Crime Agency (NCA) for review through their "Suspicious Activity Report" online service. If the funds are cleared by the NCA they will be regarded as acceptable. If the value of the anonymous donation is above £25,000 this will also be reported to the Charity Commission.



If the funds come from a fiduciary, we can ask them to complete a form on behalf of their client to give assurances that we are not accepting money from prohibited sources.

Timing of the research and risk assessment or due diligence is conducted at the outset of the development of the partnership with the company, funder or individual. The research will be reviewed and refreshed on an annual basis, or in the event of a significant negative publicity incident, such as industry specific, or senior persons of interest.

16. Termination

If a partnership or prospect is going to be refused or terminated, then a member of the SMT team will let the company, funder or individual know as soon as possible, with a short explanation.

17. Tainted Donations

The Finance Bill 2011 introduced legislation in respect of what are called tainted donations. This is a replacement for the substantial donor provisions and is legislation largely driven by corporation tax requirements. In simple terms, a tainted donation is not necessarily a criminal offence, but it will be construed as not for charitable purposes and thus liable to tax as trading income. It follows also that any gift aid claim would be disallowed. The legislation was introduced to deter abuse of the charity tax reliefs and is intended to identify donors (or persons connected to them) who have made a donation with the purpose of receiving an advantage from the charity.

The legislation is intended to catch donations which are given “with strings attached”. In short, the donor expects a measurable benefit in return. (The small benefit rules which apply to gift aid donations are not affected by the changes.)

The Tainted Charity Donations rules are based on a purpose test which considers the effects of, and circumstances in which the donor or someone connected to the donor, entered into arrangements to make the donation, and to whether those arrangements are deemed to obtain a financial advantage.



The following 3 conditions must be met for a donation to be a tainted charity donation. Where all 3 conditions are satisfied, the donor loses any tax relief that they would have been entitled to claim, had the donation not been tainted. An additional charge to tax may also arise where the donation would have been eligible for relief under the Gift Aid scheme (for individual donors only).

The three conditions which must be met for a donation to be tainted are:

1. The donation to the charity and arrangements entered into by the donor are connected.
2. The main purpose of entering into the arrangements is for the donor, or someone connected to the donor, to receive a financial advantage directly or indirectly from the charity.
3. The donation is not made by a qualifying charity-owned company or relevant housing provider linked with the charity to which the donation is made.

All 3 conditions must be met for the donation to be tainted rule to apply.

If any staff member is concerned that this might pertain to any donation made to Gympanzees they must immediately seek the advice of the CEO. The rules cover a broad range of transactions, including:

1. cash, under the individual or company Gift Aid provisions
2. quoted shares and securities, and real property where the donor has obtained income or corporation tax relief
3. gifts of assets where the donor has obtained capital gains relief
4. plant or machinery where the donor has received capital allowances
5. trading stock; and
6. amounts donated via payroll giving

The tainted charity donations rules do not apply to:

1. a simple donation to charity where no additional arrangements are entered into
2. a donation under Gift Aid that is within the Gift Aid benefit limits
3. a donation, any benefit of which has been taken into account in calculating the relief due for donations to charity of shares, securities and real property, or trading stock



18. Legal Information

This policy is for information only, and therefore is not a binding contract and does not confer legal rights on any person. Gympanzees reserves all rights (including copyright) in any information and materials provided under this policy.





Tool 6: Know your donor

Know your donor - key questions

These questions are not intended to be asked in respect of each donor. However, trustees 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

- Who are the donors?
- What is known about them?
- Does the charity have a well established relationship with them?
- Do any additional identity checks need to be made? Full use should be made of internet websites, particularly to check whether a donor organisation is registered with another regulator. Registration may provide access to the organisation's accounts and governing document
- Are the donors UK taxpayers, and can Gift Aid be claimed?
- If Gift Aided, does the donation fail all the 3 tests, in which case it is a tainted charity donation? The tests establish whether the person or linked person or entity gains a financial advantage from the donation; whether 1 of the main or sole purposes is to obtain a financial advantage directly or indirectly from the charity for the donor or linked person; and the donor is not a wholly owned subsidiary of the charity or a 'relevant housing provider'.
- In what form is the money being received? Cash, cheque, bank transfer?
- Have any public concerns been raised about the donors or their activities? If so, what was the nature of the concerns and how long ago were they raised? Did the police or a regulator investigate the concerns? What was the outcome?
- Would any adverse publicity about the donor have a damaging effect on the charity?

Comments



What trustees should do if they are suspicious

- If due diligence checks reveal evidence of crime, trustees must report the matter to the police and/or other appropriate authorities.
- 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 National Crime Agency.
- Such issues should be reported to the Charity 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 you cannot identify or check. The commission would expect trustees to report any such payment (or payments) totalling £25,000 or more.
- Check the donor against the consolidated lists of financial sanctions targets and proscribed organisations.
- Consider whether to refuse the donation.

Comments



19. Trustee Review

Gympanzees Trustees will undertake a regular review (quarterly) of the source of donations exceeding £25,000 applying the Know your Donor – Key Questions from both individuals and institutions.

Date Policy reviewed on:	11/04/2025
Name (s) of Reviewers	M Mason / Board of Trustees
Date for next review:	10/04/2027

