

Ethical Fundraising and Investment

Introduction

The purpose of this policy is to govern the fundraising and income generation activities of Conciliation Resources to ensure we do not compromise our vision and values when raising funds.

Conciliation Resources' **vision** is to transform the way the world resolves violent conflict so that people work together to build peaceful and inclusive societies. Our **values** are:

- Collaboration: We work in partnership to tackle violence, exclusion, injustice and inequality.
- Creativity: We are imaginative and resourceful in how we influence change.
- Challenge: We are not afraid to face difficult conversations and defy convention.
- Commitment: We are dedicated and resilient in the long journey to lasting peace.

This policy applies to all donors and direct sources of income, but not to partner organisations, including those that are transferring funds to Conciliation Resources from a donor. All Conciliation Resources staff and trustees who initiate fundraising activities or receive funds are required to ensure adherence to the policy.

Ethical principles help us create an environment where ethical behaviour is accepted, encouraged and strengthened. The more we are dedicated to our central values and communicate them in a transparent and accountable way, the more everyone will understand what we, as well as donors and others, should and should not do. Furthermore, to achieve donors' trust it is important that we maintain a commitment to ethical principles and responsible fundraising practices.

The aims of this policy are:

- To ensure the principles of accountability and transparency are applied at all times.
- To ensure monies are not accepted from or invested in unknowingly or unwittingly an illegal or inappropriate source.
- To ensure a relationship is not opened or maintained with a funder or donor that would place Conciliation Resources outside of the law.
- To provide an escalation process where doubt exists as to whether a donation should be accepted or a dialogue with a funder opened or maintained.
- To protect Conciliation Resources' reputation by providing a clear decision making process.

This policy is consistent with the UK's Charity Commission's and the Office for the Scottish Charity Regulator's guidance.

The Principles

Our approach to responsible fundraising is driven by key principles:

- Our fundraising respects and protects our independence, impartiality and our mission.

- We fundraise with integrity.
- We work in partnership with those who support us.
- We value and respect our supporters.
- We are transparent in our fundraising and use of funds.
- We seek to maintain long-term partnerships with our supporters.

Our commitment to our donors

In our fundraising, income generation and relationships with our funders and donors, Conciliation Resources will at all times:

- Respect the rights of funders and donors, protect their privacy or anonymity and provide timely and accurate information and reports. A donation will not be accepted if the identity of the donor is not known and cannot be established and the donation is over £2,000. A donation will be accepted where the donor is known but does not want the fact disclosed, provided that the donor aligns with the rest of this policy.
- Ensure funding applications are, to the best of our knowledge, accurate and detail the activities and/or outputs and/or outcomes that will be supported by the donated funds.
- Ensure all funding applications made, or donations accepted, are in line with the strategic, operational and charitable objectives of Conciliation Resources.
- Treat funds that are expressly raised for particular activities as “restricted” and the associated expenditure will be accounted for to meet the requirements of the donor or funder.
- Ensure that projects and programmes are not double-funded.
- Never place undue pressure on a person to donate, fundraise in an intrusive fashion or knowingly target or exploit vulnerable adults or vulnerable circumstances of any donor at any point of time.
- Comply with all applicable local, state, provincial, national or international laws in our fundraising and income generation activities. This includes compliance with relevant data protection laws.

Code of Fundraising Practice

As a member of the [Fundraising Regulator](#), we are committed to the highest standards in fundraising. We follow the Fundraising Regulator’s Code of Fundraising Practice. This code sets the standards for fundraising activity throughout the UK, and we use the Fundraising Regulator badge to publicly show that we are following these standards.

Transparency

We will publish this policy on our website and a list of one-off donations equal to or greater than £2,000 in our annual report and accounts unless the donor has specifically requested that the donation be kept private. We are committed to full compliance with all UK charitable and company law and other regulations relating to international accounting and auditing services. We are also registered with the [International Aid Transparency Initiative \(IATI\)](#) and regularly publish data from our major projects. IATI is a global initiative to improve the transparency of development and humanitarian information and their results for addressing poverty and crises.

Sources of funding

Financial: Financial donations are gifts and donations of cash (or stocks). We accept a variety of currencies which are held and managed strategically.

In-kind: Gifts in kind, also referred to as in-kind donations, is a kind of charitable giving in which, instead of giving money to buy needed goods and services, the goods and services themselves are given. We appreciate this type of donation particularly volunteering, consultancy services (including legal, governance), computer and IT software and hardware, office furniture and equipment, rent.

Conciliation Resources could be challenged about accepting funds from sources which themselves are pursuing conflict policies. We are particularly aware that most peacebuilding funding comes from state institutions, and yet most violence and arms sales also comes from state institutions.

This policy has been designed to provide a risk scale for donors or funders, with category 1 being the highest and category 3 the lowest. It is expected that donors and relationships may move between the categories across time. It is intended to provide a clear decision making process and ensure that records are kept as to why a particular path has been followed.

We will not open or continue a dialogue or relationship with a donor or funder that compromises our values or that would adversely affect our reputation or our ability to carry out our work if it became public.

If anyone has a concern about whether a dialogue they are about to have or continue, or have received a donation they are unsure whether to accept, they should escalate their concern to the Senior Development Manager in the first instance.

The personal beliefs of the staff, volunteers or board of Conciliation Resources should not affect the position of Conciliation Resources in this regard, though their concerns will be considered.

The sources of funding have been split into three risk-based categories.

- Category 1 is where Conciliation Resource will refuse a financial or in-kind donation or will not open or maintain a dialogue on or about funding.
- Category 2 is where Conciliation Resources may refuse a financial or in-kind donation or might not open or maintain a dialogue on or about funding. Each donation should be reviewed on a case-by-case basis. Similarly each relationship in this category should be periodically reviewed.
- Category 3 is where Conciliation Resources will accept a financial or in-kind donation or will open or maintain a dialogue on or about funding.

Category 1

Conciliation Resources will refuse a financial or in-kind donation or will not open or maintain a dialogue on or about funding if:

- The funds are associated with criminal sources or activities.
- The funds are from a governmental source or an associated foundation that is subject to international sanctions from an organisation such as the EU or the UN that prevents acceptance of such funds.

- The funds are from a proscribed organisation¹ or individual as detailed in various national or international registers².
- The funds are from a designated individual or organisation.³

Category 2

Conciliation Resources may refuse a financial or in-kind donation or might not open or maintain a dialogue on or about funding if –

- The funds are from a source that the Executive Management Team (EMT) and / or board of Conciliation Resources considers to be or has a reputation for operating in a way that could be in conflict with any of the vision, purpose, values or aims of Conciliation Resources. For example,
 - Those that exploit people in their supply chain (e.g. there's evidence of poor working conditions).
 - Those that have disregarded social and gender justice (e.g. magazines containing degrading images).
 - Those engaging in activities that damage the environment. (e.g. companies engaged in natural resources extraction / fossil fuel companies / companies where their work creates or sustains conflict).
- The funds are restricted to activities that are outside of the Memorandum and Articles of Association of Conciliation Resources.
- The funds are restricted to activities that are outside of the operational and strategic objectives of Conciliation Resources.
- The donor may have a vested interest in creating, sustaining or profiting from conflict. For example, defence equipment manufacturers / those companies that manufacture or distribute landmines, cluster bombs or nuclear weapons.
- A company that directly supports repressive regimes is involved.
- A company with significant involvement in these areas is involved:
 - The tobacco industry
 - Pornography
 - Online gambling
 - Modern slavery
- There are aspects of the donation or relationship that raise a concern for Conciliation Resources.

Category 3

Conciliation Resources will accept a financial or in-kind donation or will open or maintain a dialogue on or about funding with any donor or funder that is not in either category 1 or 2.

¹ Please refer to the Charity Commission website, Compliance Toolkit: Protecting Charities from Harm: http://www.charity-commission.gov.uk/Our_regulatory_activity/Counter_terrorism_work/tkch1mod5.aspx for further information. If the UK Government proscribes an organisation, its assets can be frozen or seized and it is illegal for it to operate in the UK. It is also a criminal offence to arrange a meeting with a proscribed organisation or individual.

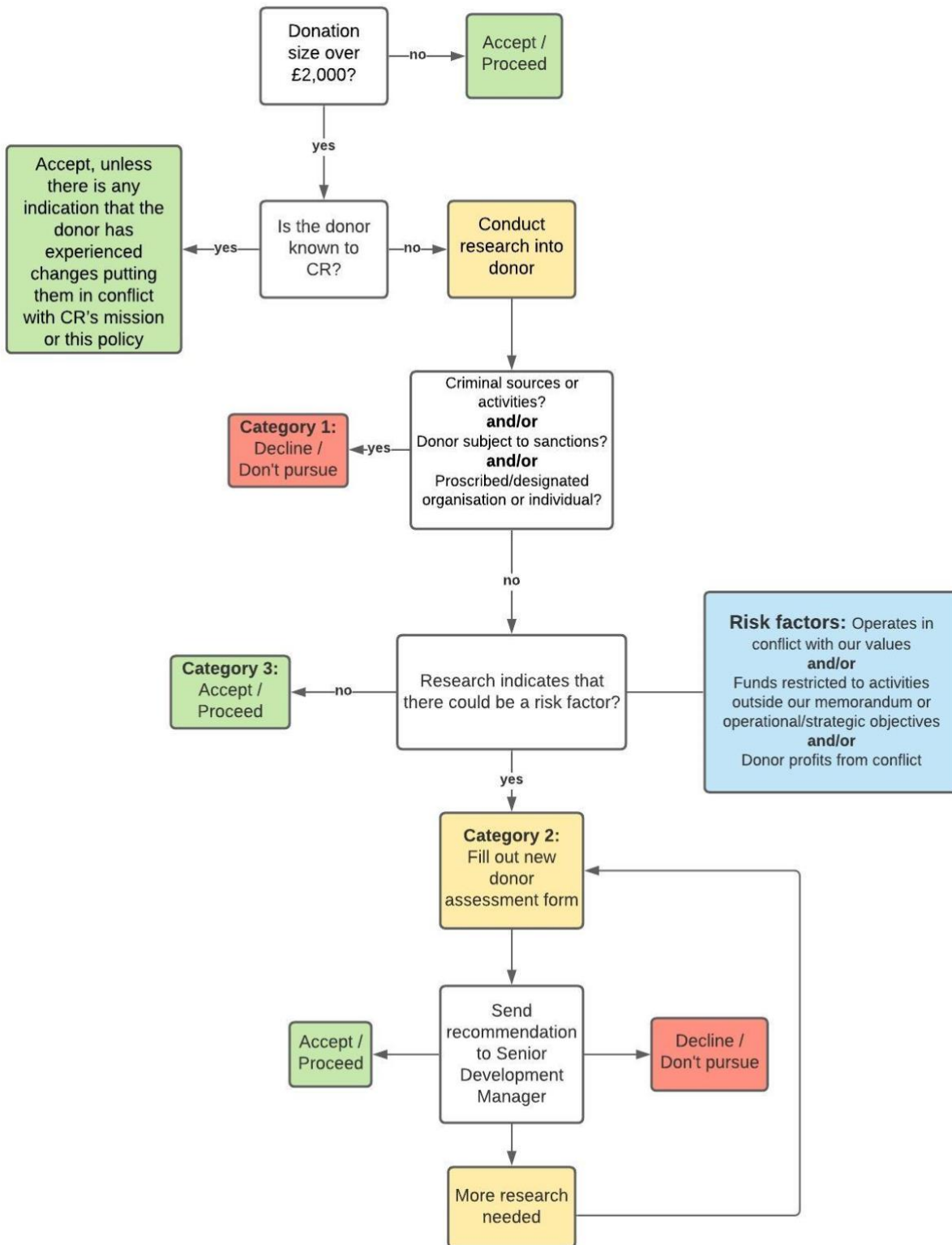
² Examples of information sources are <http://www.treasury.gov/resource-center/sanctions/Programs/Pages/Programs.aspx> <http://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx> or http://eeas.europa.eu/cfsp/sanctions/consol-list_en.htm or http://www.hm-treasury.gov.uk/fin_sanctions_index.htm <http://www.homeoffice.gov.uk/publications/counter-terrorism/proscribed-terror-groups/>

³ Designation is different from proscription. This is a process by which an individual, organisation or group is subject to financial restrictions in the UK. Such restrictions can be imposed by the UN, UK and others. They include restrictions imposed as part of sanctions against foreign countries, governments, entities or individuals for example, for human rights abuses or for proliferation of weapons of mass destruction.

Conciliation Resources will ensure that our capital and investments funds are invested with similar conditions.

Implementation

The flowchart on the following page outlines the process for implementation of this policy.



For all **new** potential donors relating to a donation of more than £2,000, basic open source research and a 'sanctions check' with LexisNexis EDD should be carried out to allocate the donor to Category 1, 2 or 3. Depending on what category is identified, the following steps should be taken:

Category 1 – in all instances the default position is that the financial or in-kind donation should be politely refused. If they haven't assisted directly, a short email should be sent to the Senior Development Manager outlining the offer made, including the first page of the attached pro-forma. The staff member and Senior Development Manager will then arrange and document (including date) the refusal or return of the donation. This is necessary as the Charity Commission presumption is that a charity will accept a donation. The Senior Development Manager may speak to others as necessary if they think refusal should be reassessed.

Category 2 – a risk assessment should be carried out, using the attached New Donor Assessment Form as a guide. Any staff member who is leading on pursuing a donor (i.e. whoever is working on a proposal) is responsible for doing this. In the case of ad hoc donations received or pursued centrally, the Fundraising Team is responsible. Records of each risk assessment should be kept in the Donor file on Shared Files as well as being recorded on the contact or organisation entry on the database. In all instances the Senior Development Manager should be asked to confirm the recommendation that is being made as to the opening or continuing of the relationship or acceptance of an unsolicited financial or in-kind donation. If the Senior Development Manager does not agree with the recommendation, they will make reference to the EMT for a final decision. Where a funder or donor has been previously evaluated as a Category 2, an annual risk assessment should be undertaken to review the Category.

Category 3 – No review is necessary of a Category 3 funder or donor **unless** information in the public domain is such that a risk assessment should be undertaken.

Declining a Donation

As stated above, the Charity Commission presumption is acceptance of a donation. Irrespective of the category of the donor or funder, if a recommendation is made to refuse a financial or in-kind donation it should in all instances be referred in writing to the Senior Development Manager who will keep the COO and wider EMT up to date through usual channels. The COO will decide whether to update the Board. There should be a fully documented trail provided as to why the donation should not be accepted; this is a requirement of the Charity Commission.

Investments

Conciliation Resources holds funds for planned activities which a single donor or group of donors have agreed to support for a set period of time. The term of the funding contracts that we have in place at any one time range from 6 months to 5 years. Over the current Strategic Plan cycle 2020-2024, we anticipate holding approximately £1,100,000 - £1,800,000 in funds at any given time.

We seek to produce the best possible financial return for funds held, within an acceptable level of risk, whilst ensuring that any investments are ethical. As nearly all funds raised are expected to be spent across the lifetime of the underlying funding contract, capital preservation and accessibility are of high importance. Where funding contracts permit investment of surplus funds they generally limit the scope of returns that can be earned, and the use to which the returns may be put. In some instances, if returns are above a certain predetermined level, they need to be returned to the donor.

Conciliation Resources' assets are held in cash or near cash investments denominated in sterling or euro, its key operating currencies. Conciliation Resources does not invest directly in Bonds, Equities/Shares or Property. As such, the scope of this policy refers only to funds held in banking institutions or institutionally managed investment funds.

Conciliation Resources' cash balances are deposited with regulated financial institutions with a minimum credit rating from an agency such as Moody's or Standard and Poor's of A- (or equivalent).

We aim to ensure that investments are ethical. We take note of the Charity Commission's guidance on investment matters (CC14) and are working toward further consideration of both positive and negative screening approaches. In particular, we aim to ensure that investments do not contradict with the aims of our organisation.

We are aware that banking institutions lend to a range of actors, and therefore deposit funds may be seen as indirect investments. We will avoid this connection where possible and will question our service providers⁴ and advocate for them to meet our standards as outlined in this policy. Our service providers are reviewed periodically to ensure they provide an appropriate service, at a fair and reasonable cost. To date, we have not located a financial service provider that provides a high standard ethical option that would meet all our operational requirements.

The same criteria outlined in Categories 1 and 2 above will be used to guide which sectors Conciliation Resources will not directly or knowingly invest funds. As a client of banking institutions, we will preference investment of funds in companies signed up to the UN Global Compact and/or rated to a certain level by Sustainalytics.

Overall, Conciliation Resources' recognises that we must balance the aspirations of this policy with the moral imperative of being able to effectively do our work - which relies on receiving and holding funds. The risk assessment process for Category 2 institutions enables consideration of various factors so that an informed decision can be made in each case, balancing ethical concerns of the provider with organisational needs.

Review

The EMT and Board of Trustees has approved this policy and will review it at least every three years or as events determine or suppliers change.

Signed:



Position: Tim Hansen, Chief Operating Officer

This policy was last reviewed on: 25 May 2021

⁴ Conciliation Resources currently has two service providers holding funds:

- Royal Bank of Scotland (RBS): <https://www.rbs.com/rbs/sustainability.html>
- CCLA COIF Charities Investment Fund – Deposit Fund: <https://www.ccla.co.uk/our-policies/anti-bribery-and-corruption-statement>