

Ethical Fundraising

Introduction

The purpose of this policy is to govern the fundraising and income generation activities of Conciliation Resources.

Its aim is:

- To ensure the principals of accountability and transparency are applied at all times.
- To ensure monies are not accepted unknowingly or unwittingly from 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.

The Principles

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 anonymity¹ and provide timely and accurate information and reports.
- 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.
- Comply with all applicable local, state, provincial, national or international laws in its fundraising and income generation activities.
- Conciliation Resources is committed to full compliance with all UK charitable and company law and other regulations relating to international accounting and auditing services as well as meeting the International Aid Transparency Initiative standards of disclosure and transparency.

¹A donation will not be accepted if the identity of the donor is not known and cannot be established and the donation is over £1,000. A donation will be accepted where the donor is known but does not want the fact disclosed, provided that if the identity of the donor becomes public, Conciliation Resources will not be compromised by having accepted the donation.

Sources of funding

It is acknowledged that Conciliation Resources could be challenged about accepting funds from statutory or extra statutory sources, which themselves are pursuing conflict policies. This policy has been designed to provide a scaling of risk for donors or funders, with category 1 being the highest and category 3 the lowest. It is expected that donors and relationships will 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.

Conciliation Resources should take care not to enter into, or maintain any, relationship with a donor or funder where the relationship requires Conciliation Resources to violate its organisational principles or undermines its independence. Conciliation Resources will not open or continue a dialogue or relationship with a donor or funder, or accept donations that, if the fact became public that it had a relationship or accepted a donation, would adversely affect our reputation or its ability to carry out its work now and in the future.

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, in writing, to the Executive Management Committee (EMC), in the first instance.

It should be noted that 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 given all due consideration.

The Sources of funding has 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 organisation² or individual as detailed in various national or international registers³.
- The funds are from a designated individual or organisation.⁴

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 EMC 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, mission or aims of Conciliation Resources.
- 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.
- There are aspects of the donation or relationship that raise a concern for Conciliation Resources.⁵

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.

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

Implementation

Category 1 – in all instances the default position is that the financial or in-kind donation should be turned aside. A written report should be sent to the EMC outlining the offer made, and how and when it was returned. This is necessary as the Charity Commission presumption is that a charity will accept a donation.

² 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.

³ 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/>

⁴ 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, EU or in certain cases by the UK. 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.

⁵ Further points to consider are included in the pro-forma.

If the assessment of the donor needs to be reviewed i.e. the donor should be considered a Category 2 donor on a risk-based assessment, and not because there is pressure to accept the donation, then the Category should be reviewed.

Category 2 – in all instances an EMC Director 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 EMC Director does not agree with the recommendation, they will make reference to the EMC for a final decision.

Where a funder or donor has been previously been evaluated as a Category 2, a periodic risk based assessment should be undertaken to review the Category.

Category 3 – no reference to an EMC Director is necessary.

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

Risk Based Assessment

The risk-based assessment should be carried out to the best ability possible, using the attached pro-forma as a guide. The recommendation of category should, in all instances be confirmed by the EMC and a quarterly report will be made to the Board.

Records of each risk-based assessment should be kept in both the Programme files and the Fund Raising files as well as being recorded on the Donor database.

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 EMC. It is the responsibility of the Executive Director or Company Secretary to notify the Chairman and/or the Treasurer either of whom will judge whether to inform the other members of the board of Conciliation Resources. There should be a full documented trail provided as to why the donation should not be accepted; this is a requirement of the Charity Commission.

END / May 2012

| Know Your Donor – Risk Based Evaluation | |
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| Donor Name: | |
| Donor Address: | |
| Contact at Donor: | |
| Contact Information | |
| Email: | |
| Telephone | |
| Website | |
| Class of Donor (delete as appropriate) | Individual / NGO or CSO / Company / Grant giving body / Government / Supranational Body |
| Are the funds associated with criminal sources or activities? | Yes / No (If Yes how has this been established?) |
| Are the funds from a governmental source or associated foundation that is subject to international sanctions that prevent acceptance of such funds? | Yes / No (If Yes who has applied the sanctions?) |
| Is the donor a proscribed organisation? | Yes / No (If Yes who has proscribed the donor?) |
| Is the donor a designated individual or organisation? | Yes / No (If Yes who has proscribed the donor?) |
| <p>If the answer to any of these questions is Yes, the default evaluation is Category 1 – please sign and date the form and pass to an EMC Director for sign off.</p> <p>Otherwise please complete the additional information that is required</p> | |
| Signed: | Dated: |
| EMC Comments | |

Know Your Donor – Risk Based Evaluation

Donor Name:

Signed:

Dated:

Please provide information about the financial or in-kind assistance – amount, term, activities to be funded etc.

Please consider the following points in helping to determine the appropriate categorisation of the donor. If the answer to any of these questions is not a clear cut “No”, it is likely that further investigation about the donor will be needed. The more “Yes” answers the higher the risk associated with the donation and the relationship with that donor.

If the donor is an individual is the donation substantial i.e. over £25,000 and should the substantial donor rules apply [please consult www.hmrc.gov.uk]

Are the conditions attached to the donation so onerous that they could undermine Conciliation Resources’ independence?

Are there conditions attached to the donation that means Conciliation Resources is being asked to provide services or benefits to

- The donor.
- A person nominated by the donor.
- An organisation nominated by the donor.

Is the size of donation out of keeping with donations previously received from this donor?

Is the size of the donation much larger than that requested without adequate explanation?

Are arrangements for the receipt of the donation into Conciliation Resources’ bank account of unusual complexity?

Is the donation part of an unusual series of smaller donations or an interest free loan?

Is Conciliation Resources being used as a conduit for funds from the donor to another organisation which may or may not be an existing partner of Conciliation Resources?

Is Conciliation Resources expected to return the principal sum of the donation back to the donor at a specific point? And can any benefit that may have arisen be retained?

Is the donor regulated or registered in their country of operation or domicile? (e.g. Companies House in the UK).

If so please provide as much information as possible such as a registration number, tax number and advise whether you have checked the registration information provided is correct.

Know Your Donor – Risk Based Evaluation

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|-------------|--|
| Donor Name: | |
|-------------|--|

What information about the donor have you gathered from the internet using Google or other search engine? (Please provide a summary and also attach print outs of key pages).

Points you might want to consider are –

- Does the donor have a reputation for operating in a way that could put it in conflict with Conciliation Resources’ vision, mission, goals or values?
- Has the donor profited from a conflict (i.e. through the sale of arms)?
- Does the donor have a poor reputation in terms of the values that CR holds (i.e. respecting communities)?

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Have you had discussions with other organisations or colleagues about the donor and if so has this thrown up any issues about which you are concerned? Please provide a summary of any facts that may have emerged; please do not provide opinions that cannot be supported in any way.

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| Recommendation – please clearly indicate the category for the donor based on your evaluation of the information you have gathered. | Category 1 Category 2 Category 3 |
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In the box below please provide any additional comments to support your recommendation

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| Signed: | Dated: |
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EMC Comments

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Entered on Donor database:

Review Date: