



Ethical Fundraising Policy

September 2021

Policy Reference Information

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| Status | Approved |
| Author | Nicola Sinclair |
| Approval | Trustees |
| Date of Last Review | September 2021 |
| Date of Next Formal Review | December 2022 |

Related Policies

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| Policy Title |
| Privacy Policy |
| Investment Policy |

1. BACKGROUND

- 1.1 NHS Lothian Charity is a registered charity with OSCR. We invest in the promotion of better health and wellbeing across Edinburgh and the Lothians. We are committed to our charitable aims and purposes; we fundraise and receive donations in order to fulfil these charitable aims.
- 1.2 This Ethical Fundraising Policy governs the acceptance and refusal of donations to NHS Lothian Charity (the Charity). It gives our stakeholders confidence in our decision-making when deciding when to accept or refuse a donation that could be deemed as potentially detrimental to the Charity or be contrary to our charitable objectives. Potential detrimental impacts to the Charity could include reputational damage that may lead to a loss of support both in the short or long term that is outweighed by the benefit that the donation could provide.
- 1.3 This policy outlines the principles and process Charity staff, Trustees and representatives should follow when considering whether to accept or refuse a donation, grants, fundraising proceeds or partnerships.
- 1.4 Donations are defined as any financial or non-financial gift where the donor does not expect to receive a benefit.
- 1.5 Donors are defined as individuals or organisations (including third sector and private sector organisations).

2. Guidance and Regulation

- 2.1 Our policy is based on the current Legislation, Regulation and Guidance available and will be updated as and when there are any changes:
 - [Charities and Trustee Investment \(Scotland\) Act 2005](#)
 - [OSCR Rights to Refunds or to Cancel Agreements](#)
 - The [Fundraising Regulator Code](#) which sets out the responsibilities of fundraising organisations
 - The [Chartered Institute of Fundraising](#) (fundraising professional body) – [acceptance and refusal of gifts](#) guidance
 - The Association of Medical Research Charities (AMRC) [An Essential Partnership: A guide for charities working with industry](#)

- Portman Group – [Code of Practice on Alcohol Sponsorship](#)
- [Direct Debit Guarantee](#)

2.2 As stated in the Chartered Institute of Fundraising’s guidance for charities, donations should only be rejected if it would be unlawful to accept them or if accepting them would be detrimental to the achievement of the purposes of the organisation.

3. High and Medium Risk Sectors

3.1 We consider the following industry sectors high risk and detrimental to the achievement of the purposes of our charity (see point 1.1). We will refuse donations, grants, proceeds or partnerships from organisations or individuals that are derived directly from:

- Tobacco production
- Armaments sales, manufacture or export
- Oil, gas or coal extraction, production or refining

3.2 We will exercise caution when considering whether to accept or refuse donations, grants, proceeds or partnerships derived from organisations in the following sector which we consider medium risk and will always undertake relevant due diligence prior to acceptance:

- Manufacturers of alcoholic beverages

3.3 Other sectors may be reviewed and identified as medium risk at the organisation’s discretion.

3.4 The total combined value of donations from companies in medium risk sectors must be less than 10% of total donated income that financial year, excluding any employee fundraising or employee personal donations.

3.5 We will consider the publicity and promotion of the support from individuals or organisations in section 3.2 on a case-by-case basis, taking into account the relevant guidance and regulations, to determine if it is in the best interest of the charity’s reputation.

3.6 In the interest of transparency, for donations, grants, proceeds or partnerships perceived as medium risk, we will publish organisations’/individual’s names, nature of support and total value in that financial year in our annual accounts and report for the corresponding financial year.

4. Due Diligence

- 4.1 We will carry out due diligence checks prior to acceptance of any donation, grant, proceeds or partnership with a value of £5,000 or over. Due diligence checks for donations, grants, proceeds or partnerships of £50,000 or over will be highlighted to the Ethical Fundraising Review Group for decision-making. Decisions on gifts under this amount will be made by the Senior Management Team (SMT) and Director of the Charity.
- 4.2 In line with best practice in the sector, we will select a sample of 5 donor records at random and carry out a full diligence check on an annual basis, representing Trust, Corporate, Individual, Community and Legacy donors. These donor records will be for donations less than £5,000 and who wouldn't normally be the subject of a due diligence check.
- 4.3 All due diligence checks, results and decision-making will be recorded in our database in line with our [Privacy Policy](#).
- 4.4 Depending on the nature of the donation, fundraising proceed or grant and the conditions in which it is made/offered, we may require a gift agreement or partnership agreement to be in place. This enables us to be transparent about the conditions in which a donation, fundraising proceed or grant has been received including protecting the Charity's brand and reputation and upholding our values.

5. Anonymous Donations

- 5.1 If a donation is offered or received anonymously, we will seek information from the donor's representatives to ensure that it would be appropriate for the charity to accept the funds. If sufficient information to allow for a due diligence check is not received by the third-party representative this will be highlighted to the Ethical Fundraising Review Group for decision making. We respect the rights of our donors who wish their donations to remain confidential between the Charity's representative and the donor's representatives and not publicised.
- 5.2 In the event of an anonymous donation where there is no paperwork or ability to identify the donor and it is impossible to return the donation we will accept the donation up to the value of £5,000. Anonymous donations over £5,000 will be referred to our Ethical Fundraising Review Group. We will record all anonymous donations on our database.

6. Return of Donations

- 6.1 In line with Charity regulations, donations cannot normally be refunded to donors. Please see [OSCR regulations](#) for exceptions to this.
- 6.2 In cases where donations with agreed restrictions (or via gift agreements) have been received and circumstances have changed so that the original purposes of the gift cannot be fulfilled in whole or in part, then the charity will normally seek to use the funds in a way that closely corresponds to the original objectives of the donor, consulting the donor or the donor's representative wherever possible.
- 6.3 Gifts that are paid in error by the donor's bank, bank overpayments, or an error in our management of Direct Debits will be refunded to the donor. Donors who sign up to donate via direct debit have a cooling off period of 14 days before the first donation will be processed. After this point, donations made via direct debit should be cancelled directly by the donors via their banks.
- 6.4 In the event of a cancellation of an activity or event, donors will be contacted to discuss rescheduling or a refund.