



# Donation acceptance policy

*Approved: June 2018*

*Next review date: June 2021*

CARE International UK (CIUK) 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 CARE to be able to accept a donation from an individual, company, 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 programming, staff, reputation, financial position or brand.

This policy is reviewed every three years by CIUK's Ethics and Risk Committee of the Board of Trustees.

## Background

We are committed to raising income to fund CARE International's programme and policy work to saving lives in emergencies and finding long-term solutions to poverty. Donations from individuals, companies, foundations and other funders are vital to our organisation. It is therefore important to have robust and transparent decision-making process in accepting donations, to assess the potential risk and impact a donation may have. Any donation or engagement with a potential funder should be considered carefully and in line with CARE's objectives and a robust due diligence process.

## Minimum engagement

A donation is defined as:

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

Donations may be unrestricted or restricted (for example to a particular activity, project or research funding).

CARE should never accept a donation or enter into a partnership that will result in:

- Anticipated negative impact on our organisational mission (from household to community to national and global levels).
- Unacceptable risk to CARE's brand and/or reputation (not only sectors, individuals or companies at odds CARE's objectives, but also those who contradict priorities set out in the Global Program Strategy).

- Unacceptable financial risk.
- Unacceptable risk of low returns on investment of CARE's time, energy, and resources.
- A breach of our ethics statement.

In any relationship, CARE's 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.

### Sectors that CARE will not engage with

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

- Pornography.
- Arms or weapons manufacturing or sales.
- Intentional use of exploitative child labour or forced labour in production or sourcing processes.
- Selling pesticides outside the WHO 1A and 1B guidelines for pesticide retailing.
- Manufacture and/or aggressive marketing of tobacco products.

The sectors listed in the box above will be reviewed by the Ethics & Risk committee every 5 years with the purpose of assessing whether other sectors need to be added or whether very specific engagement criteria will enable CARE to have a significant enough impact on harmful practices or impacts of the sector to balance any reputational risk.

An example of this assessment is CIUK's relationship with organisations whose primary business or revenue is from alcohol. CIUK's decision to work with alcohol companies was made by the Board in the meeting held on the 9th Dec 2015 with a decision to review to be held in December 2020. The basis of this decision was that the value chain for the alcohol and beverage industry cuts across several key impact groups and themes that CARE focusses on. From smallholder farmers who produce the bulk of key ingredients (wheat, barley, cassava, sugarcane) to the micro-enterprise retailers who sell the products and workers in hospitality environments, there is an opportunity to improve livelihoods across the value chain in a responsible and integrated manner. We also have the opportunity to work with companies collaboratively to tackle alcohol-related harm globally and especially its effect on gender based violence within communities. It was also agreed by the Board of Trustees that individual partnerships with alcohol would be justified case by case on their merits, weighing up the benefits against the risks.

A second example is with the gambling industry. CARE to date has received significant funds from the Big Lottery Fund (BLF) and the Stars Group plus smaller funds from the Gaming Awards. The gambling sector has significant reach and ability to raise money in aid of CARE for emergencies. However, we only work with gambling companies with clear responsible gambling policy. All gambling companies would be assessed through our due diligence process and considered on a case by case on their responsibility levels. BLF as a state sponsored organisation and with limited betting stake has less risk associated with it but will also be assessed under the same criteria as others in the gambling sector.

The principle here is that working with business as a critical friend is a more effective way to shift business practices, strategies and models so that the root causes of poverty and injustice are

addressed for a longer-term impact. Any engagement with companies in the alcohol sector also requires CARE to ensure that partnerships are focused on inclusive business and cross cutting gender impacts. Any partnership or contribution from an alcohol company that is not substantially associated with changing business practices or have cross cutting gender impacts such as CSR will not be accepted.

Each new potential partner will be considered on a case by case basis and will only be granted sign off on approval from the Ethics and Risk Committee.

### Assessing the risk and value of a donation

To understand and assess the potential risk associated with a donation or donor partnership, as a minimum, CARE will conduct research via a risk assessment for an individual or due diligence for an organisation. The research will remain private and confidential. CIUK follows the “know your donor” approach<sup>1</sup> and has developed standard due diligence process including Bridger and other checks for private sector, foundations and individuals which are regularly reviewed to ensure that we continually improve the way we assess appropriately the risks for each type of donor. For individuals, CIUK will only perform due diligence for donations above £25,000, using the template in Annex 3. CARE 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 CIUK Privacy Policy and CIUK Data Protection Policy.

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

- Company, Funder or Individual’s activities and alleged practices that may reflect poorly on CARE or be counter to our mission of eradicating poverty and/or our agreed policy positions.
- The potential risk to CARE’s 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.
- An unacceptable risk of low returns on investment of CARE’s 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, and establish that all taxes have been paid and there is no connection with proscribed organisations, groups or individuals (through Bridger check). See CIUK Anti Money Laundering and Anti-Terrorism policy.

Following the research or due diligence, CARE will discuss areas of concern with the company, funder or individual. This enables assessment of their openness to CARE’s 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 or not to proceed with the engagement.

Single or a series of anonymous donations in the strictest sense<sup>2</sup> 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.

### Timing of research

A 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.

### Roles and responsibilities

The relevant team will complete the research (please see Annex 1, 2 and 3 for the corporate, foundation and individual due diligence processes respectively). Potential donations which are deemed to be risky or which result in a red or amber rating through the due diligence process will be referred to the Fundraising, Partnerships and Communications Director and CEO in the first instance to enable immediate action. If there is a financial risk involved, the Finance Director will be consulted. For organisations, the CEO will refer any 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 Ethics and Risk Committee.

Decisions will be made within 3 working days for individuals and up to 10 working days for organisations.

### Termination

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

### Notes

<sup>1</sup> Section 5, Chapter 2: Due diligence, monitoring and verifying the end use of charitable fund, Charity Commission for England & Wales -

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/677252/Chapter2new.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/677252/Chapter2new.pdf)

<sup>2</sup> This refers to donations that have a complete absence of origin trail. It does not apply to donations that are given through Charity Aid Foundation where the original donor has specified anonymity.