



Ethical Fundraising Policy & Guidelines

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1. Background

Delivering effective and impactful outcomes in our work is dependent on raising funds and working in partnerships. Through the funding that we secure, our aim is to ensure that we :

- cover the full costs of delivering high-quality, impactful work
- protect our staff and the communities involved in our work from harm
- manage and mitigate risks as cost-effectively as possible
- ensure our financial sustainability, with enough reserves to respond to risks and opportunities that arise.

We actively seek financial support and partnerships with external organizations and individuals to achieve shared objectives. However, it is vital for us to maintain our independence and not allow any funding relationship or partnership to bring our organization's name into disrepute.

2. Purpose and Scope of the Policy

The purpose of this policy is to ensure that financial support and partnerships are for the furtherance of the organization's objectives and to provide transparency regarding the identity of the funding sources and partners to avoid any suspicion of inappropriate influence or conflicts of interest concerning the organization's activities. Furthermore, it is essential that the organization does not expose itself by accepting financial support or entering into partnerships from questionable or inappropriate sources. It sets out:

- why it is important to have a funding/partnership acceptance or refusal policy
- key policy statements
- the processes we use to ensure that this policy is properly implemented.

Scope: this policy applies to all staff involved in raising funds and/or developing partnerships. It relates to all formal interactions with organizations and individuals who are, or could potentially, provide financial support or work in partnership with us to achieve shared objectives.

3. Why is it Important

Having a policy and implementation process ensures that the organization actively manages risks associated with accepting and refusing financial support or entering into partnerships. It also enables the organization to express its values, how those are relevant to its objectives, and how certain donations or partnerships could be more likely



to inhibit the organization's pursuit of its objectives. Having a policy that clearly lays out the organization's position will ensure that decisions made on whether to accept or refuse financial support, or enter into partnerships, are made consistently and transparently.

For these reasons, it is essential that all staff in our organization involved in raising funds and/or developing partnerships understand this policy, and that we take active steps to ensure that it is fully implemented.

4. Policy Statement

Set out below are example statements that you can use. You may need to adapt some of these statements to your circumstances and to reflect the policy your organization wants to have.

1. We will actively seek financial support & partnerships working with organizations and individuals:
 - a. for the furtherance of the organization's objectives
 - b. where we are satisfied that the relationship will not damage the reputation of the organization
 - c. where there is no attempt on behalf of the organization or individual to influence our policy or actions
 - d. that the relationship does not compromise the independence of the organization
 - e. where the programmatic and reporting requirements of the funding will not impose an undue burden on the capacity of the organization
2. We will not knowingly accept financial support from, or work in partnership with, organizations or individuals:
 - a. if the relationship causes harm to beneficiaries or results in a net decline in the asset base, support, or reputation of the organization
 - b. who could undermine our effectiveness in achieving our objectives
 - c. who could compromise the organization or bring its name into disrepute
 - d. whose objectives could conflict with our objectives and values, or which could promote inaccurate or misleading messages about our commitment to those goals and values.
3. We will not:
 - a. allow our organization's name to be used in a manner that would express or imply our endorsement of the company/organization or its policies



- b. endorse or approve products or companies, and a statement to this effect will be included alongside any branding or promotion associated with products
 - c. promote any products or services unless we are offering them ourselves or in partnership with others.
4. We carry out a due diligence procedure (described below) for all formal interactions with external organizations and individuals who are working with us to achieve shared objectives. This includes potential funders, sponsors & partners. The due diligence procedure will be proportional to the nature & size of the potential relationship.
5. The board must approve all significant financial support or partnerships. Significant is defined as:
- a. a financial value above **[insert value]** in any financial year
 - b. long-term (i.e., not a one-off donation)
 - c. presenting a potentially serious reputational risk to the organization or is identified as a cause for concern.

The leadership team **[change to name used for your leadership team or individual who is responsible]** will approve all other financial support or partnerships.

6. We will make reasonable and appropriate attempts to identify any organization or individual that gives us financial support, particularly where significant sums are being donated, or the circumstances of the donation give rise to notable risk. We will not accept anonymous corporate donations. We may accept anonymous individual or trust donations through a representative where the representative is reputable and there has been a rigorous third-party due diligence process, to confirm that we are not potentially compromised. If a supporter makes themselves known to us but wishes their gift to remain anonymous, we will honor these wishes on the basis that the donation carries no significant reputational risk.
7. A full list of our funders and partners will be maintained on our website unless there is a good reason not to disclose a specific funder or partner, for example, on grounds of security, or where a supporter wishes their gift to remain anonymous.
8. We will communicate our commitment to this policy to our stakeholders. A copy of this policy will be displayed on our website.
9. We reserve the right to withdraw from any partnership where events or new information come to light, which means that areas of this ethical policy become breached. This will be written into the partnership agreement.
10. We are committed to developing and maintaining a diverse funding model and regularly reviewing the balance of our funding sources in order to maintain our sustainability and independence.

Note – where there are specific legal requirements or guidelines from regulators, these should be referenced in the statements above.



5. Building Blocks

Update the process below as is relevant to your organization and circumstances.

This policy is operationalized through a due diligence procedure.

Where there are specific legal requirements or guidelines from regulators, consider adding the following sentence:

This is informed by, and compliant with, legal requirements and regulator guidelines **[add relevant requirements and guidelines or include specific links].**

For all formal interactions with external organizations and individuals who are currently working with us, or may potentially work with us, to achieve shared objectives, whether as a donor, sponsor, or partner, the following procedure will be carried out, recorded and annually reviewed.

1. A named member of staff will be identified, who will be responsible for carrying out and recording the initial due diligence assessment and for making a recommendation to the leadership team **[replace with the name you use for your leadership team, or the individual who will be responsible]** who will then refer this to the board, where required by the policy statements above. The initial due diligence assessment should include:
 - a. What do you know about the potential donor, sponsor, or partner? How do you know this?
 - i. This should outline key information about the organization or individual
 - ii. It should describe how the potential partner's objectives, aims and ways of working are compatible with the organization's or concerns where they could be incompatible
 - iii. It should flag areas where there might be cause for concern about the relationship among beneficiaries or other stakeholders.
 - b. How will the relationship enable the organization to meet its objectives and benefit beneficiaries and other stakeholders?
 - c. A check that the funder's source of funding complies with local money laundering laws **[insert references and links to relevant laws and resources such as websites where anti-money laundering checks can be carried out].**
 - d. A recommendation to the leadership team **[replace with the name of the relevant person in your organization],** based on the initial due diligence assessment, about whether the organization should enter into a formal agreement with the individual or organization.

A decision **not** to enter into a relationship will be based on evidence that a relationship with the individual or organization could cause harm to the organization's beneficiaries or would result in a net decline in the asset base, support, or reputation of the charity.



2. If, whilst undertaking the due diligence procedure, the member of staff identifies any objectives or ways of working which are incompatible with the organization's, or any other significant risk, they will immediately inform the leadership team **[replace with the name you use for your leadership team, or the individual who will be responsible]** who will determine the level of risk and whether to refer it to the board. The board will then be asked to decide whether the partnership should progress.

Circumstances, where there may be a legitimate concern, include but are not limited to:

- a. Organizations where there is evidence of discrimination based on race, ethnicity, gender or gender identification, sexual orientation, nationality, age, disability, or other embodiment or expression of fundamental human rights
- b. Organizations with exploitative working conditions
- c. Organizations with environmentally harmful /unsustainable practices within their supply chain
- d. Organizations with an explicit political partisan position
- e. Tobacco, brewing, or weapons manufacturing companies
- f. Organizations that promote gambling or risky behavior around money

6. Summary of Authorities Under the Policy

Included in the table below is a summary of the key authorities within our organization, under this policy.

Decision	Authority
	Insert below the role or group (e.g., the board, or the senior management team) in your organization that is authorized to make or approve the decision
To approve the ethical fundraising policy and any changes to the policy	
To approve due diligence assessments of new potential funders and partners	
To review due diligence assessments annually on existing funders and partners	
To ensure that a full list of our funders & partners is maintained on our website	
To ensure that a copy of this policy is displayed on our website	

You may need to adapt the examples in the table to your circumstances and to reflect the decisions to be taken within your organization.



7. Policy Monitoring

Monitoring the application of this policy is critical to the successful implementation of your approach. You can use this paragraph to set out the specific steps you will take to monitor the ethical fundraising policy. We have provided some examples that you can build on. Make sure you also say who will do the monitoring.

We will actively monitor the application of this policy and the results we achieve through its implementation. Specifically:

- **list out your monitoring measures here, including the role that will take the monitoring action. For example, (revise as applicable):**
- our leadership team **[replace with the name you use for your leadership team]** and the board will:
 - review and approve all new due diligence assessments
 - will regularly review a fundraising report which will highlight any issues arising, including reviewing unsolicited donations
 - monitor the number of funders and partnerships that are refused on ethical grounds.
- we will regularly review this policy to learn lessons and improve our practice.

You will need to determine your priorities for monitoring and adapt the paragraphs above.

8. Capabilities and Systems

Below is an example general good practice paragraph – please tailor it to your own priorities.

In our organization, we aim to have the capabilities and systems to efficiently and effectively assess funding relationships and partnerships against this ethical fundraising policy. Our board/senior management team **[delete as applicable]** regularly reviews this policy and we:

- have a designated fundraising lead **INSERT ROLE**
- maintain a CRM system that enables us to keep track of stakeholder relationships
- use standard templates and tools to enable us to apply this policy systematically
- have designated authorities for each of the key decisions
- train key staff on how to undertake a due diligence assessment and organize refresher training periodically on this topic for key staff.



Between now and the next review date of this policy, we will make the following changes to improve our systems and capabilities:

List below your top 3-5 priorities for improvements in practice in the upcoming period.

9. Related Policies

The policy is supported by the following:

- Financing strategy
- Fundraising strategy
- Partnerships policy

Add other relevant policies, guidelines, or resources.

10. Approval of Policy

This policy was approved on **XX DATE [insert]** by **YY [insert the role, e.g., CEO or fundraising director OR group, e.g., board or senior management team who approved the policy]**. It will be reviewed and updated on **ZZ DATE [insert the review date]**. **While the policy is still new, we recommend that you should review it and its implementation every six months. Once it is bedded in, the review can be done annually or even every two years].**