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| **Ethical Fundraising Policy**  **DECEMBER 2022** |

**Approved by Board of Trustees on:**

**Lead Staff Member: Neil Johnston CEO**

**Lead Trustee: [tbc]**

**Ethical Fundraising**

**This policy pertains to all PDT operations.**

**The purpose of this document is to:**

* Help ensure that funding relationships do not indirectly support activities that are counter to PDT’s vision, mission, and values, its support of the UN Sustainable Development Goals and its declaration of the climate emergency.
* Protect PDT’s reputation by supporting decision-making on funding opportunities and grant giving.
* Provide guidance on the types of companies, funders, and fundraising events that PDT will or will not be associated with in pursuing fundraising to support delivery of its mission.

**PDT as a grant making body**

* Where PDT issues grants to other organisations, it will ensure that due diligence of a grantee’s activities, values and policies has been carried out. This policy will serve as the guide for such organisations, and where an organisation does not have their own ethical funding policy they will acknowledge their compliance with this policy.

**Responsibility**

* The Ethical Fundraising Policy is held by the Board of Trustees
* PDT CEO will be responsible for alerting the Board to any ethical issues that might impugn or impact negatively on beneficiaries, or the reputation or stated values of PDT.

**Rationale for Fundraising**

* PDT aims to maintain a broad base of different sources of funding. The purpose of this policy is to ensure clarity and openness to all our stakeholders.
* PDT Fundraising will include donations, grants and public contracts and may also involve in-kind, pro-bono, marketing or other support.

**Key Issues**

* PDT has a responsibility to its stakeholders and beneficiaries to consider the ethical issues that may arise in working with or accepting funding from an organisation/individual and the associated risks to reputation and organisational values.
* Donations, funding, and partnerships which may pose a reputational risk to PDT include those which could lead to negative publicity and:
  + The loss of donations from other supporters
  + The loss of volunteers
  + The loss of staff or the inability to recruit staff with the necessary skills and dedication required by PDT.

**Policy Points**

**Context**

PDT actively seeks opportunities to work together with external organisations and individuals to achieve shared objectives. However, it is vital that PDT maintains its transparency and independence and does not allow any external partnership to bring the name of PDT into disrepute.

PDT will therefore accept financial support from, and partnership working with, companies and individuals on the following conditions:

* There are strong grounds for believing that it will result in a benefit to PDT’s beneficiaries
* PDT does not participate in business practices that are counter to its vision, mission and values.
* The Chief Executive and trustees are satisfied that no adverse publicity will result from accepting such support
* That funding relationships do not compromise the independent status of PDT

**Avoidance Criteria**

* PDT will not accept any funding from companies directly involved in activities that run contrary to its overall charitable objectives / vision / mission and values.
* PDT will not accept financial support or partnerships with companies currently involved with human rights abuses, illegal activity or any activities deemed harmful to the global or local environment and ecology and with the following:
  + the manufacture of tobacco;
  + pharmaceutical companies associated with addiction;
  + pornography or the sex industry;
  + gambling and gaming;
  + and water pollution.

**Other reputational risks**

* PDT will refuse donations from those that are known to instigate or repeat views of an inflammatory or derogatory nature concerning an individual’s or community’s race, gender, disability, sexual orientation, religion, culture, or any other aspect of that life which may be counter to PDT’s purposes and values.

**Due Diligence**

PDT will apply the core elements of due diligence across each of the ‘Know Your Donor’ principles developed by the Charity Commission and will take reasonable steps to:

* Know what the funding organisation’s or individual’s business is and be assured this is appropriate for the charity to be involved with
* Watch out for unusual or suspicious or unexpected activities, conduct or requests.
* Conduct research using a range of publicly available sources which may include the Electoral Register, Companies House, the Register of Charities, the Charity Commission, newspaper reports and company websites.

Due Diligence will be carried out on donations of £1,000 or more from individuals, £5,000 or more from grant making trusts, unsolicited corporate donations of £5,000 or more, and all businesses which the funder is actively partnering with.

In line with Charity Commission guidance, if a donation of £25,000 or more is received from an unknown or unverifiable source, it is to be reported to the Charity Commission as a serious incident. N.B. This only applies when the donor is completely anonymous, not when the donor is known to the Organisation but wishes to remain publicly anonymous.

**Acceptance Criteria**

When deciding whether to accept any particular donation, the Chief Executive and Trustees have a duty to demonstrate to the Charity Commission that they have acted in the best interest of the charity, and that association with any particular donor does not compromise PDT’s ethical policy, ethical position, harm its reputation or put future funding at risk.

PDT complies with all relevant legislation, including money laundering rules, the Bribery Act and Charity Commission guidance, including terrorism and political activity.

**PDT would therefore not accept any of the following where the donation:**

* Was known to be associated with criminal sources and/or illegal activity
* Would help further a donor’s personal objectives which conflict with those of PDT
* Would lead to a possible decline in support for the Organisation, and so risk a fall in the resources available to fund its work or damage its longer-term fundraising prospects
* Would otherwise impact adversely on PDT’s reputation

PDT will actively seek support from donors and companies, and will prioritise those whose policies, practices and values align to its own practices particularly where funders are involved in Investors in People, pay the London living wage, have committed to Net Zero carbon emissions, are a DECA accredited Disability Confident Employer, and have an Environmental Accreditation.

**Purchasing**

PDT will not knowingly purchase goods and/or services produced and delivered under conditions which involve any form of abuse or exploitation of third parties.

Examples (not exhaustive) of such abuse and exploitation include:

* The use of child labour;
* The use of slave labour;
* Failure to pay employees a minimum wage;
* Excessive working hours;
* Any form of inhuman, unreasonable, or discriminatory treatment of employees;
* Practices that violate human rights through environmentally unsustainable business practices.

PDT expects suppliers to accept responsibility for the labour and environmental working conditions under which products are made and services are provided, and to make written statements of intent regarding their company’s policy on working conditions.

**Management**

PDT will require partners to have a policy framework commensurate with this policy.

PDT will ensure that the policy is applied when giving out grants to external organisations.

PDT recognises that, in accepting funding from statutory bodies, it must consider the policy implications and obligations that might be tied to it and ensure that these do not contravene or compromise its purpose and values.

PDT will not allow any supporter to compromise our policy independence, and all supporters and associated staff must be clear that the positions we take are based on our independent assessment of the most effective way to advance our mission and values.

PDT can seek to raise funds from a series of charitable Trusts and Foundations, but recognises that their registration with the Charity Commission does not mean that they are ethical givers. The Organisation therefore does not accept money from any charitable Trust where its source of funding might run contrary to PDT’s aims, or if it is a requirement of grant receipt to advertise any company or organisation whose activities run contrary to PDT’s values.

PDT will maintain accountability and open and honest relationships with all its partners by regularly monitoring and evaluating its work.

This statement of policy is meant as a working guide for PDT. Any final decisions will be governed by the Board of Trustees. It is the duty of the Board to advise of any potential conflicts of interest with regards to funding or partnerships, and for the Board to act in the best interests of PDT at all times.