

Effective Date: 24/06/25**Review Date:** 01/08/27**Approved by:** Board of Trustees**Signed By Chair:**

Chris Booth-Mayblin (e-signed)

Donor Due Diligence Policy

1. Purpose

The purpose of this policy is to ensure that all donations received by South Yorkshire's Community Foundation (SYCF) are appropriate, lawful, and in line with the Foundation's values, mission, and legal obligations. It provides a framework for due diligence checks and ethical considerations in accepting donations.

2. Scope

This policy applies to all donations offered to or received by SYCF, including but not limited to cash, gifts-in-kind, endowments, shares, legacies, and sponsorships. It covers donations from individuals, corporations, trusts, and foundations.

3. Principles

- **Integrity:** Donations must align with the Foundation's values and charitable objectives.
- **Transparency:** Processes for assessing and accepting donations will be clear and consistent.
- **Accountability:** The Foundation will comply with all relevant laws and guidance from the Charity Commission, Fundraising Regulator, and HMRC.
- **Risk Management:** Donations must not expose the Foundation to unacceptable reputational, financial, or legal risks.

4. Due Diligence Procedures

4.1 Red Flags

The Foundation may decline a donation if:

- It is suspected to come from illegal or unethical sources (e.g., money laundering, tax evasion, criminal activity).
- The donor seeks to exert undue influence over the Foundation's activities or governance.
- The donation could damage the Foundation's reputation or impair its independence.

5. Approval Process

- Staff are responsible for conducting initial due diligence and escalating concerns.
- The CEO or, in their absence, the Chair of the Board of Trustees must approve donations over £10,000. In their absence, the Head of Philanthropy and one Trustee can jointly approve a donation of over £10,000.
- Donations deemed high risk or controversial must be reviewed by the Board of Trustees.
- All declined donations and the rationale for refusal will be documented.

6. Recording and Reporting

- All donations will be recorded in the Foundation's Sales Force database, including due diligence outcomes.
- Reports of significant donations and associated risks will be presented to the Board quarterly.
- The Foundation will cooperate fully with any investigations by regulatory authorities.

7. Confidentiality and Data Protection

All information gathered during due diligence checks will be handled in accordance with GDPR and the Foundation's Data Protection Policy.

8. Policy Review

This policy will be reviewed biennially, or sooner if required by changes in legislation, regulatory guidance, or organisational risk appetite.