

St Andrew's Club
Gift Acceptance Policy
29 January 2019

1. Purpose

St Andrew's Club's aim is to ensure that our fundraising approach is legal, honest, and open. It is crucial to us that at all times we are transparent and accountable to our donors, supporters and stakeholders.

2. Introduction

St Andrew's Club is a registered charity (number 1103322) and limited company (number 4900308) benefiting young people of diverse backgrounds by providing a sense of belonging and fun in a safe and attractive environment where they develop self-confidence, and respect for others, and thereby their ability to contribute to society as good citizens through a variety of activities and programmes. It is governed by a board of trustee directors. A staff team led by the General Manager has delegated responsibility for day-to-day activities.

3. Legal and fiscal context for gifts

Subject to compliance with HMRC regulations, cash donations from UK taxpayers are eligible for Gift Aid, which means that St Andrew's Club can claim an additional 25% of the value of the gift (at current rates).

4. Types of gifts St Andrew's Club can accept

St Andrew's Club may accept a variety of gifts - all are outright donations of assets made on a one-off or regular basis.

4.1 The following types of outright gifts are welcomed:

- Cash of any amount.
- Publicly traded shares at fair market values. St Andrew's Club's board will have full discretion over the sale of any gifted shares. Gifts of shares in newly listed companies without a trading history will be valued in St Andrew's Club's accounts at a nominal value only, if not immediately sold, and will be disclosed to HMRC.
- Land and buildings, provided St Andrew's Club's board has discretion to sell and/or generate revenue from them for charitable purposes surplus to any costs.
- Personal property, as long as the items are saleable, and at a value which will offset any costs St Andrew's Club incurs in selling.

4.2 St Andrew's Club may also be named as the beneficiary of planned gifts:

- Residuary legacies – a gift made of some or all of the remainder of an estate after all other gifts have been handed out and debts paid off.
- A pecuniary legacy – a gift made of a fixed sum of money.
- A specific legacy – a particular named item left as a gift in a will, for example, shares, property, jewellery, furniture or a painting.

5. Money Laundering

- 5.1 St Andrew's Club Trustees MUST take reasonable steps to assess and manage risks to the Club's activities, beneficiaries, property, work and reputation. Money laundering and adverse publicity about a donor are examples of how St Andrew's Club could be exposed to criminal liability and suffer reputational damage.
- 5.2 St Andrew's Club MUST undertake due diligence (see point 6.) on both the financial and reputational dealings of potential partners before donations are accepted.
- 5.3 St Andrew's Club MUST be aware of the Proceeds of Crime Act 2002 and that it applies to money or other property that has been obtained through conduct that is criminal under UK law, even if obtained in ways that are legal in another country.

6. Due Diligence on Donations

The following questions will be considered for any donation, based on the Charity Commissions Compliance Toolkit (Tool 6 – Know your donors). Attached.

6.1 General:

- Who is the donor?
- What is known about them?
- Do we have a well-established relationship with them?
- Do any additional identity checks need to be made? Full use will be made of websites, particularly to check whether a donor organisation is registered with another regulator. Registration may provide access to the organisation's accounts and governing document
- Is the donor a UK taxpayer, and can gift aid be claimed?
- In what form is the money being received? Cash, cheque, bank transfer?
- Have any public concerns been raised about the donor or their activities? If so, what was the nature of the concerns and how long ago were they raised? Did the police or a regulator investigate the concerns? What was the outcome?
- Would any adverse publicity about the donor have a damaging effect on St Andrew's Club?

6.2 The nature of the donation and any attached conditions:

- How big is the donation?
- Is it a single donation, or one of a number of regular donations, or the first of multiple future donations?
- Is the donation one of a series of interest-free loans from sources that cannot be identified or checked by the charity?
- Are there unusual or substantial one-off donations?
- Does the donation come with any conditions attached? What are they? Are they reasonable?
- Is there a condition that funds are only to be retained by the charity for a period and then returned to the donor, with the charity retaining the interest?
- Is the donation conditional on particular organisations or individuals being used to apply the funds?
- Is the donation conditional on being applied to benefit particular individuals either directly or indirectly?
- Is there a suggestion that the charity is being used as a conduit for funds to a third party?
- Is the donation in sterling or another currency, perhaps with a requirement that the donation be returned in a different currency?

- Are any of the donors based, or does the money originate, outside the UK? If so, from which country? Does this country/ area pose any specific risks? (Please see additional notes below 6.3 on overseas donations)
- Are donations received from unknown bodies or international sources where financial regulation or the legal framework is not rigorous?
- Is the donation received from a known donor but through an unknown party or an unusual payment mechanism where this would not be a typical method of payment?
- Is anything else unusual or strange about the donation?

6.3 Particular attention will be paid to **any donation received from outside the UK**, which will be scrutinised using the Charity Commission's Compliance Toolkit checklist for charities receiving donations from outside the UK:

- Has there been sufficient prudence and care in verifying and recording the source and origin of the donations from outside the UK?
- What donations and payments were expected?
- Do they match against payments received?
- Do trustees need to take additional steps to verify sums received from particular sources or for sums above a certain amount?
- Are particular financial controls needed to receive certain funds, eg do trustees need to open new accounts in particular currencies?
- Is there any suggestion of pressure being put on the trustees to receive or apply the funds in a particular way?
- Are the trustees satisfied that they have full discretion and proper control of the application of the funds for the appropriate charitable purposes?
- Wherever donations are from, the trustees should be satisfied that there are no express or implied conditions attached which are not in the charity's interests
- If the funds have been received through intermediaries are the trustees satisfied that these transactions have been through properly regulated and registered agents?
- If the funds have been received in cash are the trustees satisfied that the transfer has been done legally and with the appropriate declarations to HMRC?
- Are there any issues in respect of financial sanctions or anti-money laundering regulations that the trustees have not taken into account?
- Are the trustees clear that this **is** a donation and the charity will not be expected to repay some or all of the payment at a later date?
- Broadly, are the trustees content that there are no concerns regarding the source of the money?

6.4 Particular attention will also be paid to **non-cash donations**, such as shares or property. Normally, such gifts will be sold immediately which ensures that there is complete transparency over the value of the gift.

There may be exceptional circumstances when St Andrew's Club does not want to sell the asset immediately e.g. a donor may want to give shares in a new company so St Andrew's Club can benefit from dividends from the outset. However, St Andrew's Club will exercise considerable caution if accepting shares in newly formed companies with no history of trading and no audited accounts, particularly if not listed in the UK. In these circumstances, the following precautions will apply:

- If St Andrew's Club is gifted shares in listed companies without a solid history of trading and audited accounts to support their share price, the shares will be valued in our balance sheet at a nominal value e.g. face value of the shares.
- HMRC will be informed of any such gift of shares, the name and address of the donor and of the charity's intention to include them in the balance sheet at a nominal value, with no other comment.

- Before accepting any such shares, St Andrew's Club will inform the donor of this policy and the intended actions including how the shares will be valued in the Charity's accounts. For other non-cash assets not to be sold immediately, such as property, advice will be sought on how to treat the gift, including its valuation and disclosure to HMRC.

6.5 Action:

Staff are usually the first point of contact for donations and will carry out the basic due diligence. A report will be given to each Board meeting of all donations in excess of £5,000.

Trustees will be informed immediately of any donation or potential donation with unusual features or that has raised concern e.g. out-of-the-ordinary conditions, significant funding from an overseas source, complex banking or transfer arrangements, shares in newly formed businesses or a large anonymous donation.

In such a case, the trustees will take action to satisfy themselves about the credentials of the people involved and the provenance and propriety of the donation or loan, prior to the donation being accepted. If they are still not satisfied, the trustees will consider whether to refuse the donation.

If due diligence checks reveal evidence of crime or cause to suspect that a donation is related to terrorist financing, the trustees will report the matter to the police and/or other appropriate authorities such as a customs officer (HMRC) or an officer of the Serious Organised Crime Agency.

If significant sums of money or other property are donated to the charity from an unknown or unverified source (totalling £25,000 or more), it will also be reported to the Charity Commission under the reporting serious incidents regime.

7. Donor recognition and commitment

- 7.1 St Andrew's Club will acknowledge donors appropriately. Donors may remain anonymous if they prefer. In all cases, St Andrew's Club will keep the details of its particular agreements with donors confidential, subject to its legal and regulatory accounting requirements. Any public acknowledgement of a donation will be a simple acknowledgement that could not be deemed an advertisement or as providing any benefit back to the donor.
- 7.2 If giving gifts to a major donor, St Andrew's Club MUST ensure that any benefits are appropriate for St Andrew's Club to be giving, and proportionate to the size of the donation received.
- 7.3 St Andrew's Club will be aware that some benefits may cause Gift Aid relief to be lost and others may be subject to the tainted donations rules.
- 7.4 Where talking about finances and financial benefits, St Andrew's Club MUST inform donors that they are not in a position to offer formal financial advice.

8. Review

It is recommended that this policy is reviewed on an annual basis.

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