

Acceptance and refusal of donations policy

MS International Federation

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1. **Purpose and scope**
 - 1.1. The Director of Fundraising & Engagement has on-going responsibility for this policy.
 - 1.2. The policy will be monitored by the Head of Finance on an on-going basis and by periodic reviews by MS International Federation staff.
 - 1.3. The policy covers when the MS International Federation will accept or refuse a donation and who makes that decision.
 - 1.4. There are other policies and position statements that are closely related to this policy:
 - **Restricted funds policy** – sets out the MS International Federation’s position on restricted funds – what they are, what gets restricted, what happens if too much is raised etc.
 - **Policy and Practices in Relationships with the Healthcare Industry - 2008** – this sets out the position in regards to donations from the Medicines and Healthcare Products Industry.
 - **Corporate fundraising Policy 2017** – Sets out the MS International Federation’s position on how it chooses to engage with non-healthcare companies.
 2. **Definitions**
 - 2.1. The key aspects of what should be contained in an ‘Acceptance and refusal of donations policy’ can be found on the Fundraising Regulator’s website. This guidance is also referred to on the Charity Commission website.
 - 2.2. **SORP 2015** refers to the Charity Commission’s Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).
 - 2.3. **‘Restricted funds’** - ‘Funds held on specific trusts under charity law are classed as restricted funds. The specific trusts may be declared by the donor when making the gift or may result from the terms of an appeal for funds. The specific trusts establish the purpose for which a charity can lawfully use the restricted funds. (SORP 2015 para 2.8).’
 - 2.4. ‘Restricted funds fall into one of two sub-classes: restricted income funds or endowment funds.
 - Restricted income funds are to be spent or applied within a reasonable period from their receipt to further a specific purpose of the charity, which is to further one or more but not all of the charity’s charitable purposes.
 - Alternatively the restricted fund may be an endowment. Trust law requires a charity to invest the assets of an endowment, or retain them for the charity’s use in furtherance of its charitable purposes, rather than apply or spend them as income’. (SORP 2015 para 2.11).

3. Policy General principles

- 3.1. The MS International Federation will categorise donations as those it can receive, those that will always be refused and those that will always be reviewed
- 3.2. As a general rule if a donation is received which the MS International Federation cannot accept with requested restrictions then a discussion is had between Director of Fundraising & Engagement and the donor (or executors in the case of a legacy) in order to explore if the donation can be changed so that the MS International Federation can accept it.
- 3.3. The main exception to the rule in 3.2 is where the donation may have detrimental implications to achieving the MS International Federation's objects or the detriment is likely to be greater than the benefit (3.5a and 4.1 below) in which case the CEO or Director of Fundraising & Engagement will inform the donor.

Donations the MS International Federation will always refuse

- 3.4. The MS International Federation will always refuse the following donations:
 - a) Where acceptance of the donation would be unlawful (e.g. where the MS International Federation knows the donation is from the proceeds from crime).
 - b) Where the donor restricts the donation for activities which are outside of the MS International Federation's objects.
 - c) Donations from organisations that conflict with the MS International Federation's 'Corporate fundraising policy' standards.
 - d) Donations which conflict with the MS International Federation's 'Policy and Practices in Relationships with the Healthcare Industry – 2008'.

Donations which will be reviewed

- 3.5. Some donations will need to be considered before deciding whether to accept or refuse them, these include:
 - a) Donations that may have detrimental implications to achieving the MS International Federation's objects or where the detriment is likely to be greater than the benefit
 - b) Donations that are not financially viable
 - c) Donations that are outside the plans and budgets of the MS International Federation
 - d) Donations from those deemed vulnerable
 - e) Donations with conditions attached
 - f) Donations that will be difficult to utilise within a reasonable period of time
 - g) Tainted charity donations
 - h) Legacies where the restriction can no longer be met
 - i) Anonymous donations over £25,000.

4. Further Guidance on the Policy

4.1. Donations that may have detrimental implications to achieving the MS International Federation's objects or where the detriment is likely to be greater than the benefit

- 4.1.1. A decision will need to be taken when acceptance of the donation would most likely lead to:
 - a) The loss of donations from other supporters or funders at least equivalent, over the long term, to the value of the donation.
 - b) The loss of volunteers whose services would be at least as great as the value of the donation.
 - c) Significant implications for the ability to recruit or retain staff
 - d) Assist in giving respectability to the donor where that donor's activities are clearly detrimental to the people affected by MS and acceptance would help promote the continuance of those detrimental activities.

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- e) The clear loss of reputation or credibility.
- 4.1.2. Potentially problematic donations will initially be highlighted to the Director of Fundraising & Engagement who will decide whether there is an issue with the donation. If required the Director of Fundraising & Engagement will escalate to the CEO, who in turn may choose to escalate to the Board of Trustees if required.
- 4.1.3. In making a decision whether to accept or refuse a donation the following factors will need to be considered:
- It is reasonable to conclude that acceptance would be detrimental to achievement of the MS International Federation's objects AND
 - It is reasonable to conclude that such detriment is likely to be greater than the benefit to be obtained from accepting the donation.
- 4.1.4. A decision to refuse a donation as a result of the detrimental implications of accepting it must be taken by the CEO.

4.2. Donations that are not financially viable

- 4.2.1. Donations can be refused on the basis they are not financially viable.
- 4.2.2. The MS International Federation never recommends donors split donations between a number of different areas of the MS International Federation's work; the donor should be encouraged make separate payments.
- 4.2.3. MSIF will not split donations of less than £3,500.
- 4.2.4. Donations will not be split between a number of different areas when received via a donation agency website. If the amount raised is more than £3,500 then a split can be made subject to approval from the Head of Finance.
- 4.2.5. Donations will be refused where to accept the donation for a particular activity would result in the MS International Federation having to incur unacceptable costs beyond the initial donation.
- 4.2.6. Donations will be refused where it will be very difficult to monitor whether the donation has been spent in accordance with donors wishes without spending an unacceptable amount in administrative costs.
- 4.2.7. Decisions on the financial viability of a donation are taken by the Director of Fundraising & Engagement unless they are higher than £3,500, in which case the Head of Finance and CEO will be involved.

4.3. Process for accepting donations which are outside of plans and budgets

- 4.3.1. Donations will be accepted which are within budget or are for aims, objectives or activities approved by the MS International Federation CEO or Trustee Board.
- 4.3.2. If a donation or grant is received for an activity which has not been approved as per 4.3.1 above, the CEO will consult within the Secretariat, including the Deputy CEO and Director of Fundraising and Engagement, to decide if MSIF is willing to undertake the work, considering amongst other things:
- If the donation covers the total cost of the activity (including overhead percentage).
 - If the donation does not cover the entire cost of the activity but the MS International Federation is willing to undertake the work within their current or future budgeted expenditure.

4.4. Donations from those deemed vulnerable

- 4.4.1. It is unlikely to be known when a donation is received that it is from a vulnerable person, however, if there is any indication of vulnerability the Director of Fundraising & Engagement should be informed immediately. The MS International Federation will then refer to the Fundraising Regulator and the Charity Commission rules to decide the appropriate course of action.

4.5. 'Donations' with conditions attached

- 4.5.1. Donations where the donor specifies the individual to receive the benefit will not be accepted unless they relate to an individual support grant that has been awarded to that individual under the normal MS International Federation process for awarding grants.
- 4.5.2. Monies cannot be accepted which are conditional on part of the monies being sent to someone/somewhere else except in relation to a joint fundraising event with another registered charity.
- 4.5.3. Monies cannot be accepted where the MS International Federation is being used as part of a tax avoidance scheme which may be seen as an abuse of the MS International Federation's charitable status. To ensure these circumstances are identified a donation needs to be cleared by the Head of Finance and the CEO before being accepted in the following cases:
 - Where the donor specifies that the monies must be sent to a particular organisation as a grant the MS International Federation had not previously awarded or
 - Where the donor specifies that the monies must be sent to a particular organisation for an activity or item.

4.6. Restricted donations that will be difficult to utilise within a 'reasonable period of time'

- 4.6.1. Under charity law and SORP 2015, donations must be utilised within a 'reasonable period of time'. What constitutes 'reasonable' is not defined.
- 4.6.2. With the exception of endowments, in the following circumstances a donation will not be accepted on the grounds that it cannot be utilised within a reasonable period of time:
 - The donation will never be fully utilised (e.g. interest or income arising from the donation is likely to be greater than any expenditure on the donation).
 - A donation for less than £1m which is unlikely to be utilised within 10 years.
- 4.6.3. For other donations which are unlikely to be utilised within 5 years a decision will be taken by the Director of Fundraising, Head of Finance and the Deputy CEO on whether to accept the donation.

4.7. Tainted charity donations

- 4.7.1. The rules on 'tainted charity donations' are complicated and therefore in the following circumstances donations will need to be cleared by the Head of Finance and the CEO:
 - The donor has entered into an arrangement with the MS International Federation and the donation is connected to that arrangement AND
 - The donor has set up an arrangement where they derive some benefit either directly or indirectly from the arrangement AND
 - The benefit gained from the arrangement would be outside of the gift aid benefit rules, about which the HMRC website states: "for gifts of £1,000+ donors can receive benefits worth 5% of the value of the donation (up to £2,500)"

4.8. Legacies with a restriction that can no longer be met

- 4.8.1. If a legacy is left to the MS International Federation with a restriction that can no longer be met then we would speak to the executors before accepting the legacy. If agreement cannot be reached with the executor then advice should be sought from the Charity Commission.

4.9. Reportable charity donations

- 4.9.1. Anonymous donations received in England and Wales over the value of £25,000 have to be reported to the Charity Commission as a serious incident. Note this relates to donations where we do not know who the donor is and not donations where we know who the donor is but they wish to remain anonymous.

4.9.2. If accepted, these donations will not be spent for between 6 and 12 months or the police tell us that the monies are ours or until the donor becomes known.