UK Music Masters – Gift Acceptance Policy

Adopted: 24th January 2024
Next review: January 2026

Overview:

This policy (Policy) shall apply to all gifts offered to and received by UK Music Masters (Music Masters). In considering the acceptance of any gift, Music Masters' Senior Leadership Team (primarily the Head of Development, Chief Executive Officer and Director of Finance) and its Board of Trustees shall ensure that fundraising and related activities do not inappropriately influence its organisational independence, mission, integrity, or adversely affect the charity's reputation. It is also the responsibility of this group to ensure that any gift received by the charity complies with all relevant, current legislation and accepted principles of good practice.

The strategic planning and co-ordination of fundraising activity is led by the Head of Development, who oversees the acceptance of gifts on a day-to-day basis – approving grants and donations when zero or minimal risk is attached. The Gift Acceptance Committee is responsible for reviewing any gifts – flagged by the Head of Development or Chief Executive – which provoke ethical questions based on the Policy or Gift Acceptance Framework. It is the Gift Acceptance Committee's role to make a recommendation to the Board of Trustees as to the most appropriate course of action for the charity when these instances arise – trustees will then decide whether to approve or deny a gift based on this recommendation and any other relevant material.

Key Principles and approach to best practice:

This Policy is not to be considered a Fundraising Strategy, but a document that helps to underpin elements of the strategy. It sets out the key principles and ways of working in relation to gift acceptance and the circumstances in which Music Masters might accept or decline a gift.

First and foremost, Music Masters' Development team works within the guidelines outlined by the Fundraising Regulator's Code of Fundraising Practice to ensure best practice is followed. The key principles within the Fundraising Regulator's Code are that charities:

- Must not denigrate other individuals or organisations.
- Must not exaggerate facts relating to the potential beneficiary or cause.
- Must take all reasonable steps to treat a donor fairly, enabling them to make an informed decision about any donation.
- Not accept a donation from anyone where are there reasonable grounds for believing that the individual lacks the capacity to make a decision to donate.
- Must not engage in fundraising which is an unreasonable intrusion on personal privacy, is unreasonably persistent or places undue pressure on a person to donate.
- Must not continue to ask an individual for support where that person has clearly indicated that they do not wish to continue to engage.

In addition to these core principles, the following elements of the Fundraising Regulator's Code are worth highlighting to charities such as Music Masters:

- Organisations must ensure accepted donations are used to support the cause in accordance with the conditions attached or representations by the charity as to the use of funds.
- Organisations must be able to justify frequency of contact, balancing the desire to communicate with not bombarding recipients, and must respect donors' requests with regards to frequency of contact.
- Clear agreements must be in place between the charity and any consultants providing fundraising advice.

Trustee Specific Responsibilities

Further to this, Trustees have a specific responsibilities with regard to the following:

- Audited accounts should detail our approach to fundraising and number of complaints received in relation to fundraising activity. Audited accounts are published on the Charity Commission website and are available to anyone in the public realm.
- Trustees must have regard to national guidance in overseeing fundraising activities, including Charity Commission's CC20 Guidance for trustees and Essential Trustee Guide CC3, and should refer to this when making any decisions.
- Trustees are volunteers acting on behalf of Music Masters and must follow GDPR guidelines when soliciting funds, particularly seeking the consent of individuals before sharing their contact details.

Fundraising Aims and Income Streams:

Music Masters has a proactive approach to fundraising in order to fulfil its charitable objects. As such, the charity actively works on expanding its network of individual donors, trusts and foundations and corporate supporters to secure income on a regular basis. Every reasonable effort is made to ensure that potential new donors and funders are well suited to Music Masters with regard to our values and guiding principles.

It can be helpful to differentiate between types of donors and funders, as each income stream can require different approaches and has different potential implications. The approach to the following income streams is considered as part of an overarching Gift Acceptance Framework:

- Individuals (Regular donors, one-off donations, legacy giving)
- Trust and foundation fundraising
- Corporate sponsors and partnerships
- Financial support from public funding and statutory bodies

Gift Acceptance Framework

Music Masters' Senior Leadership Team, the organisation's Board of Trustees and the Gift Acceptance Committee must act in the best interests of the charity when deciding to accept or refuse a particular donation or enter into a sponsorship or partnership agreement. This is on the basis that, accepting the gift shall be in the best interests of Music Masters, and that gifts are in line with the charity's values and are not likely to pose unacceptable risks.

The Development team adheres to the following Gift Acceptance Framework:

1) **List of priority fundraising projects circulated as part of Board paperwork** – In order for Trustees and Management Team to feel confident that the priorities being pursued by the fundraising team match the organisation's strategic priorities as a whole, and that these fundraising priorities reflect the projects with most potential for attracting third party financial support.

2) **List of confirmed new gifts and pending applications circulated as part of Board paperwork –** For Trustees to be kept abreast of discussions and for Trustees to share any knowledge they have of specific individuals, trusts, foundations or corporates, and to declare any potential conflicts of interest.

3) **Assessing financial value –** any benefits must be appropriate and proportionate to the size of the gift or sponsorship fee. We assess this through:
   a) Knowledge of the market and awareness of what our peers are doing.

b) Assessment of the real costs to us – in terms of resources and expenditure – and potential for devaluing other partnerships.
c) Considering any stipulations attached to gifts or sponsorship.

4) **Reputational fit, aligned values and due diligence**
   a) For any new individuals or trusts and foundations wishing to make a gift of more than £5,000, the Development team will review publicly available information through desk-based research to assess whether the individuals and organisations are known philanthropists, whether their gifts have been accepted elsewhere and whether there is any substantiated negative press about them, which may negatively impact on Music Masters' reputation or its relationships with other key stakeholders. This will include all reasonable endeavours to identify the likely source of wealth.
   b) For corporates wishing to sponsor our work or make a donation of more than £5,000, the Development team will review their organisational values, ESG, and money laundering policies to see if they feel broadly aligned to Music Masters' core values and will undertake desk-based research on whether there is any substantiated negative press which may impact on the charity's reputation. For example, this could include their environmental policy and their public statements and commitments to EDI. Potential conflicts of interest must also be considered relating to any partnership.
   c) In all cases the desk-based research shall be completed by relevant members of the Development team based on publicly available material and kept on file. This shall be reviewed by the Head of Development before any agreement is finalised.
   d) The Development team will conduct additional research on individuals, sponsors or corporate companies whose primary business has the potential to cause harm or addition within the communities in which we serve. For example, Music Masters will only work with alcohol brands where they have a clear Responsible Drinking policy and will not overtly associate alcohol brands with events or programmes that are aimed specifically at young people or families.

5) Exclusions

Music Masters shall endeavour only to accept funds or sponsorship from individuals, foundations, corporates or other institutions whose values do not directly contradict our own. Our values include: To strive for excellence and integrity in all that we do, To work in a manner that is inclusive and values diversity, To build creative and social value, To integrate the voices, ideas and opinions of our beneficiaries at all opportunities, To expend financial and human resources only on work that supports our core goals.

A gift shall not be accepted from an individual or business on the UK's sanctions list.

A gift shall not be accepted if there are reasonable grounds for believing, or there is evidence that, the gift may be comprised or derived from funds arising from an illegal activity, fraud, or the evasion of taxation.

A gift shall not be accepted unless it is compatible with the mission and charitable objectives of Music Masters.

A gift shall not be accepted if it brings with it conditions which encroach on or restrict organisational or educational freedom to an unacceptable level.

A gift shall not be accepted if there is evidence that its acceptance would require Music Masters to undertake any action in contravention to national [or EU] regulation or which would create, in the reasonable opinion of the Gift Acceptance Committee, an unacceptable conflict of interest or exposes Music Masters to financial or legal liability.

It is also acknowledged that the position of an existing supporter may change over time, because of their own behaviour or because of new information coming to light or because of public opinion shifting. Accordingly, where the Head of Development, CEO or trustees become aware of a new potential cause for concern or risk with an existing supporter, an updated diligence report shall be shared with trustees, which may also include commissioning an independent due diligence review.

We recognise that these exclusions are not exhaustive because of sudden changes to public opinion and with respect to how our stakeholders may feel about having a direct association with specific individuals or businesses.

6) Gift Agreements

New gifts above £25,000 require a written Gift Agreement or other written documentation outlining the terms of the gift. These shall detail the purpose of the gift, payment schedule, stewardship/reporting expectations and how they wish their names to appear in supporter-recognition materials. Any restrictions relating to the gift will be detailed in the agreement. The charity will seek to avoid unreasonable donor restrictions, e.g. a restriction that may lead us to breach equalities law.

All sponsorship and corporate partnerships shall be subject to sponsorship contracts and no public association shall be made between the sponsor and Music Masters until a written agreement has been signed. Sponsors shall be expected to sign a letter of intent as soon as they have agreed to the partnership in order for the Development team to cease exploring potential partnerships with others within restricted categories.

7) Naming Rights

Any proposed naming rights related to programmes or capital assets shall be subject to the prior approval of the Gift Acceptance Committee and Trustees, both in terms of which assets are made available to be named and which individuals, corporates or others are solicited as potential named supporters for these.

Naming Rights shall be negotiated in the best interests of Music Masters and shall be subject to a written agreement that outlines the length of the rights, which can be renegotiated upon expiry. Naming rights agreements shall give Music Masters the right to rename the asset if the donor poses a significant reputational risk to the charity.

8) Anonymous Crediting and Anonymous Donors

Donors have the right to request that their gift remains anonymous. Music Masters will accept anonymous gifts provided the Development team and Trustees know who the supporter is. The gift will be accepted pending usual due diligence procedures and anonymity will be respected so far as is legally and practically possible.

The gift will be recorded on the charity's CRM database, but the donor's intentions will be clearly marked so that the gift is not acknowledged publicly.

Gifts will not be accepted from an entirely anonymous donor, should Music Masters be unable to identify or confirm the donor or source of the gift.

9) Industry standards

We will continue to review new policies coming out of bodies such as the Institute of Fundraising and European Sponsorship Association in order to ensure that we are abreast of current best practice within these fields.

We recognise that these decisions are not always clear cut and that funding opportunities come to us in a variety of different ways with a variety of different timelines.

10) **Commissioning due diligence reports from independent sources**

The Head of Development and CEO shall consider the need to commission independent due diligence reports in the following circumstances:

a) Where desk-based research by members of the Development team flags potential risks.
b) For donations from new and unknown individual donors giving more than £25,000.

Independent due diligence reviews will seek to identify the source of funds from which a gift will be made and highlight any potential risks.

Summary findings of all externally commissioned due diligence reports will be reviewed by the Head of Development and/or Chief Executive Officer before the Development team proceeds further. Where the due diligence reports highlight ambiguity or potential cause for concern, these shall be shared with the Gift Acceptance Committee for further discussion and agreement as to whether the charity should proceed with the gift or sponsorship.

Gift Acceptance Committee – Purpose and Members:

The Gift Acceptance Committee is responsible for discussing any potential gifts referred to it by the Head of Development and/or Chief Executive Officer.

The Gift Acceptance Committee shall consist of:

- Chair of Trustees and/or Deputy Chair (Charing)
- The CEO and/or Head of Development
- Two designated members from the Board of Trustees (it's highly recommended that a trustee from either a legal background, financial compliance background or extensive charitable governance background is able to attend any meeting)
- One designated member of the Development Committee

The Gift Acceptance Committee shall meet on Zoom/Microsoft Teams (or via conference call) as and when required by the Head of Development or Chief Executive Officer. Three members of the Gift Acceptance Committee – including the Chair/Deputy Chair and CEO/Head of Development – shall constitute a quorum.

Ahead of meeting, the Development team will prepare a report summarising context for the potential gift, findings to date, including any independently commissioned due diligence, and highlighting potential concerns and mitigations.

Conflicts of interest:

If a committee member has a personal or professional connection to the potential donor/organisation in question, this shall be declared immediately and considered a conflict of interest no matter the circumstance. As such, the committee member will be excused from attending the meeting, but will be encouraged to share any information they consider pertinent with the Head of Development and CEO. If a conflict of interest is declared by the committee member who is Chairing the meeting (such as Chair of Trustees/Deputy Chair), then a trustee will assume Chairing responsibilities for that specific meeting. If there's no available candidate to Chair the meeting, then an independent adjudicator shall be sought by the CEO and/or Head of Development.

Committee Meetings and Process:

The Head of Development will request a meeting of the Committee before accepting a donation when certain concerns or issues arise. Particular areas of concern should be discussed by the committee, who shall consider and determine the following:

- Any areas of concern based on our Ethical Giving Framework
- Values of supporter seemingly not aligned with Music Masters' stated purposes and priorities, or charitable objectives
- If the gift may inhibit Music Masters from seeking gifts from other donors
- Any form of unlawful discrimination (for example, based on race, religion, gender, age, nationality, colour, disability or upon any other basis prohibited by law)
- If the gift may require Music Masters to deviate from its usual contracting procedures
- If association with the supporter might risk bringing Music Masters into organisational disrepute
- If the gift might expose Music Masters to undue adverse publicity or reputational risk
- If the gift might expose Music Masters to a substantial conflict of interest
- If externally commissioned due diligence reports have also flagged potential cause for concern or ambiguity
- If adverse PR around a particular individual, corporate, trust or foundation exists in the public realm
- If stakeholders might have a negative view of a particular individual or business
- If Naming Rights might have any potential negative consequences

In coming to a recommendation on whether to accept or decline a gift, ultimately committee members will focus on the following points:

- Any illegality linked to the gift/donor and the potential for significant reputational damage across media, audiences and stakeholders
- Size of donation and expected level of public acknowledgement
- Potential to anonymise details to mitigate against any potential negative consequences
- That it is not for us to pass moral judgements on individuals' personal or business affairs unless they have been deemed to be illegal and unless we think there would be material impact on the charity's own reputation and relationships with other stakeholders

Meeting outcomes:

Once a meeting has been conducted, the Gift Acceptance Committee shall make a recommendation to the Board as to Music Masters' best course of action. In this instance, a recommendation will be sent to all Trustees, alongside an external due diligence report (if applicable) and other background paperwork for consideration – Trustees will have one week to raise any contrary views to the proposed recommendation of the committee. If no contrary views are received, then the recommendation will be approved. If contrary views are expressed, a decision must be reached by trustees with a recommended 75% majority vote.

Where a decision is needed on accepting a gift sooner that the committee is able to meet, a recommendation can be made to the board if a consensus is reached unanimously by the Head of Development, CEO and Chair of Trustees/Deputy Chair – as long as no conflicts of interest are present, and there are no legal concerns or requirements for additional research. In this instance, a recommendation will be sent to all Trustees, alongside the due diligence report and other background paperwork for consideration – trustees will have 48 hours to raise any contrary views to the proposed recommendation with regards to whether Music Masters proceeds with and accepts the potential gift or not.

This process will also be followed where new information comes to light or where there are new reputational concerns regarding an existing support.