1 Introduction

1.1 Foundation Scotland is Scotland's community foundation. As such, it works with a wide range of donors to establish, grow and contribute to charitable grantmaking funds held at the Foundation. It will therefore welcome and accept donations from a wide range of sources, from private, third and public sectors, to establish funds and to add to existing funds.

1.2 Donations received can be applied to both long and short term uses, and general and restricted purposes. At all times, Foundation Scotland will focus on donations achieving a positive social impact.

1.3 Prior to accepting donations, Foundation Scotland must be satisfied that the donor and the source of funds can be clearly identified, that funds do not arise from illegal activity, that any restrictions placed on funds are compatible with the Foundation's charitable objectives and manageable within its structure, that the Foundation can recover the cost of managing the funds from any associated financial contribution made to the Foundation, and that no damage to reputation is likely from association with either the donation or donor.

2 Scope

2.1 This policy applies to all funds donated to Foundation Scotland, i.e. from private, third and public sectors

3 Abbreviations and Definitions

- CEO – Chief Executive Officer
- CFOO – Chief Finance and Operations Officer
- LMS – the Foundation Scotland Learning Management System
- LT – Leadership Team
- Go, No Go – the process and Salesforce record used to review donations and document decisions
- Salesforce – FS's database for donation, fund grant and contact management.

4 Policy

Legal and financial context for donations

4.1 A fund held by Foundation Scotland is not a distinct legal structure like a charitable trust. It is a restricted fund held on trust by Foundation Scotland in accordance with the terms of the Agreement with the donor. The Board is committed to honouring donor's wishes as set out in the fund agreement with the donor, i.e. to achieve public benefit via the fund's stated charitable purposes.

4.2 Funds are accounted for separately in accordance with The Charities Statement of Recommended Practice 2005 and other relevant accounting regulations. A fund acts as a vehicle for giving in line with donors' wishes without the administrative or regulatory requirements that would be required of a separately constituted charity.

4.3 Cash and assets donated to funds at Foundation Scotland are irrevocable donations, meaning that once donated they must remain within an organisation that has a charitable purpose and which delivers public benefit. They become the property of Foundation Scotland and the Board carries the legal responsibility as described at 4.1. In addition, for any tax benefits to be accrued by the donor and/or for the fund, the donor will part with ultimate control over the donated asset. Actual or perceived direct control by donors may jeopardise the basis on which donations are made and the charitable status of Foundation Scotland.

Types of donations Foundation Scotland can accept

4.4 Foundation Scotland may accept a variety of donations. All are outright donations of cash and/or assets by living donors made on a one-off or regular basis. The Foundation can also accept planned donations that take effect on or after the donor's death.

4.5 Foundation Scotland welcomes the following types of outright donations.

- Cash of any amount, although donations to establish specific funds must meet the minimum requirements as set by the Board from time to time.
- Publicly traded shares. The Board will have full discretion over the sale of any donated shares.
- Land and buildings as long as, at the Foundation's discretion, they may be sold and/or generate revenue (e.g. rent) for charitable purposes surplus to any associated costs.
- Personal property, as long as the items are saleable, and at a value which will offset any costs Foundation Scotland incurs in selling.

4.6 Foundation Scotland works with donors who wish to undertake social investment, i.e. to provide loans or grants with repayable elements. Funds used in this way, which may be repaid by the recipient, can only then be used for ongoing charitable purposes, i.e. recycled funds cannot be repaid to the donor.

Principles for review of donations

4.7 The core principles which underpin the policy, and which govern the acceptance of donations are those concerned with exposing Foundation Scotland to financial, legal or reputational liability or risk. These principles follow:

Reputation

- A donation cannot be accepted if there is evidence, or reasonable grounds for believing, that it is comprised of or derived from funds arising from illegal activity, fraud or the evasion of taxation.
- A donation cannot be accepted if there is evidence that it would require Foundation Scotland to undertake any action in contravention with current law and regulation or which would create an unacceptable conflict of interest or expose Foundation Scotland to financial or legal liability.
- A donation cannot be accepted if there is evidence that it would lead to an unmanageable conflict of interest.

Strategic Fit

- A donation cannot be accepted if it is incompatible with the purposes or values of Foundation Scotland.

Capability

- A donation cannot be accepted if there is evidence that it will expose Foundation Scotland to an unmanageable strain on its existing staff resources, and/or to additional and unacceptable costs in order to deliver the intended charitable aims.

Procedure for review of donations

4.8 Based on these principles, two members of the LT will review all intended donations and/or new business opportunities and consider acceptance using the questions in the Go-No Go section on Salesforce.

4.9 The Go, No Go information will be financially reviewed by the CFOO and approved by the CEO or CFOO, in discussion with the LT members involved.

4.10 In the case of intended donations or business opportunities which might conflict with these core principles, the CEO will refer such intended donations to the Donation Acceptance Panel.

4.11 The Donation Acceptance Panel is not a standing committee but will instead meet when required. It will consist of any three Trustees of the Board and a member of the Senior Management Team, who will liaise to review any intended donations which are in question. They will do this promptly, within five working days of any referral to them, and review relevant due diligence documents, make a final decision on a case, and inform the CEO or CFOO.

4.12 A record of decisions is held by Foundation Scotland within Salesforce and the completed Go, No Go record is permanently attached to the donation record. This is reported to the Board on a routine basis, with any standout decisions noted and related learning points.

4.13 The legal rights and reputation of potential donors will be considered as part of the due diligence in assessing the acceptability of a proposed donation. A clear distinction will be drawn between rumour or speculation and matters of confirmed fact or legal finding, while also considering reputational risks that could be brought on Foundation Scotland through the public perception of a donor.

5 Roles and Responsibilities

- CEO – accept or decline intended donations on behalf of Foundation Scotland, where information is clear as to the acceptability or not of a donation; the CEO (or other LT member in their absence) will call a meeting of the Donation Acceptance Panel, when required.
- Donation Acceptance Panel – will convene, when the acceptability of a particular donation, or donor, is in question.

6 Training

- LMS – Anti-Money Laundering

7 References

- F032 – Go-NoGo Opportunity
- https://ciof.org.uk/events-and-training/resources/acceptance,-refusal-and-return-a-practical-guide-t

8 Review

8.1 This policy is reviewed, approved, and endorsed by the Board of trustees. It is updated when required by legislation, to ensure that it reflects statutory responsibilities, government guidance and best practice for FS or every 36 months whichever is the soonest.

9 Document Properties

Title	Donation Acceptance Policy		
Type	Policy	Classification	Operations
Reference Number	58	Version - auto-generated	0.18
Status	Approved	Approval Date	23/08/2021
Author	CEO	Approver	FS Board
Last Reviewed regardless of whether changed	01/08/2024	Next Review Date	31/07/2027