

THE  
NATIONAL  
GALLERY

ETHICAL  
FUNDRAISING  
RISK  
MANAGEMENT  
STATEMENT

## ETHICAL FUNDRAISING June 2012

Policy owner: Director of Public Affairs and Development

### Parameters of ethical fundraising policy

Trustees must, under general principles of charity law, take decisions as to whether to accept or refuse donations in the best interests of the charity. Guidance issued by the Institute of Fundraising, and specifically cited by the Charity Commission, states that Trustees must not allow individual or collective views on political or ethical issues which are not directly related to the interests of the charity to affect their judgement.

The Gallery's management and trustees are therefore prohibited from allowing their personal political or moral beliefs to influence their judgements about gifts or sponsorships and whether the Gallery should reject them. In any case the institution's expertise limits its judgments to the potential harm caused to the Gallery and its Collection by unethical sources of funding rather than the potential harm done to society by alleged illegal or unethical activities of companies and individuals.

### Risks

As an institution that exists for the public and receives public funding the Gallery has a duty of care to its visitors and a desire to show that it is sensitive to the general concerns of the public regarding ethical issues of fundraising.

At the same time the Gallery is also required to maximise income from fundraising to fulfil its statutory obligations and charitable objects. In undertaking these fundraising activities, the Gallery recognises the need to conduct its fundraising within the context of The Institute of Fundraising's Code of Fundraising practice.

Risks of not managing the ethical issues of fundraising include:

- Reputational damage arising from association with organisations or individuals perceived to be engaged in unethical activities;
- Actual damage to the collection or building arising from protests against the Gallery's association with such individuals or organisations;
- Acceptance of tainted donations and consequential reputational damage arising from complicity with illegal activities;
- Financial loss arising from a failure effectively to manage relationships with potential donors or sponsors;
- Failure to carry out the Gallery's statutory obligations as a result of relationships with donors or sponsors.

### Policy

The Gallery is actively engaged in fundraising and receives voluntary and corporate support from a variety of sources. There are occasions when it is not possible for the Gallery to accept a gift or sponsorship<sup>1</sup>.

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<sup>1</sup> For the purposes of this document the following definitions should be applied:

Sponsorship – payment in support of an exhibition or project in return for specific benefits which may include entertaining, employee involvement or branding. Payments for the Gallery's Corporate Membership Scheme are included within this definition of sponsorship.

Gift – a charitable donation

Ethical Fundraising Risk Management statement

The Gallery considers each gift and sponsorship on its own merits. Gifts and sponsorships are assessed according to whether:

- a. there is a significant risk that harm may be caused to the Gallery, and
- b. any such harm is likely to be disproportionate to the benefit the Gallery will derive from the gift or sponsorship.

A gift or sponsorship will be considered for rejection if both of these conditions are shown to exist.

'Harm' is defined as follows:

1. Where acceptance of a gift or sponsorship interferes or has the potential to interfere with the Gallery's ability to fulfil its charitable aims, statutory obligations or other objectives, including its ability to secure the collection.
2. Where acceptance of a gift or sponsorship and any terms attached to it might lead to an undue and inappropriate third party influence, or impression of such influence, on corporate decisions of the Gallery
3. Where by accepting a gift or sponsorship the Gallery will incur a level of criticism from the press, public or any other relevant community of professionals resulting in serious damage to the Gallery's reputation.
4. Where by accepting a gift or sponsorship existing and future relationships with donors and supporters will be jeopardized.
5. Where there is suspicion of money laundering

The Gallery is not able to accept anonymous donations because such a donation prohibits a proper risk assessment. The identity of donors who prefer to give anonymously must be known to the Director, Director of Public Affairs and Development and the Chairman.

**Responsibilities**

The Development Office will carry out a risk assessment on all new prospective donations or sponsorships of £10,000 in value and above. This assessment will be carried out at the earliest possible stage by fundraisers, where possible, before discussing a gift or sponsorship with a prospective donor.

If the risk assessment is considered unsatisfactory or if it has the potential to cause harm to the Gallery in any way as defined above, the Director of Public Affairs and Development will decide whether a rejection is appropriate in the first instance.

Where there remains some doubt about the potential harm to the Gallery the matter will be referred to the Executive Committee and then if necessary to the Chairman of the Trustees.