

THE NATIONAL GALLERY

ETHICAL SPONSORSHIP AND DONATIONS ACCEPTANCE POLICY

Owner: Director of Development

Last approved by the Audit and Finance

Committee on behalf of the National Gallery

Board of Trustees October 2021

Date of next review by Board: September 2024



Context and objective of policy

The National Gallery exists for the public. It receives public funding and also generates income to fulfil its statutory obligations and charitable aims. Fundraising plays a central role in meeting the Gallery's objective of maximising income to support and sustain its activities and ambitions. The Gallery has a duty and desire to be sensitive to the general concerns of the public regarding ethical issues of fundraising. It recognises the need to conduct its fundraising responsibly, mitigating potential reputational, financial, or actual risk that may result from accepting gifts or sponsorship. This document outlines the Gallery's policy and process for accepting gifts and sponsorship, and managing associated risks. The policy applies to gifts and sponsorship in cash and in kind, but not to gifts of works of art to the collection which are separately covered by the Gallery's Acquisitions Procedure.

Parameters of policy

The National Gallery's Trustees must, under general principles of charity law, take decisions as to whether to accept or refuse gifts or sponsorship, in the best interest of the Gallery. Trustees must not allow individual or collective views on political or ethical issues, not directly related to the interests of the Gallery, to affect their judgement when making these decisions.

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. The institution 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

The National Gallery will carry out fundraising in compliance with the Fundraising Regulator's Code of Fundraising Practice, exceeding these standards wherever possible. 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 to effectively manage relationships with potential donors or sponsors.
- Failure to carry out the Gallery's statutory obligations as a result of relationships with donors or sponsor.

Policy

The Gallery is actively engaged in fundraising and receives voluntary and corporate support from a variety of sources. The Gallery considers each gift and sponsorship on its own merits. There are occasions when it is not possible for the Gallery to accept a gift or sponsorship.

The Gallery will only refuse a gift or sponsorship if

- A. It would be unlawful to accept it (e.g. the Gallery is aware that the gift or sponsorship comprises the proceeds of crime), or
- B. There is a significant risk that acceptance may cause harm to the Gallery, and any such harm is likely to be disproportionate to the benefit the Gallery will derive from acceptance of the gift or sponsorship.
- C. The conditions attached to accepting the gift or sponsorship outweigh its value to the Gallery.

'Harm' could arise:

- 1. Where acceptance of a gift or sponsorship interferes with 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 institutional decisions of the Gallery.
- 3. Where the acceptance of a gift or sponsorship would substantially damage the Gallery's reputation among its supporters and the public at large, or incur criticism from the press, public, or any other relevant community of professionals.
- 4. Where by accepting a gift or sponsorship, existing and future relationships with donors and supporters will be jeopardised.
- 5. Where there is the risk of the donor or sponsor not being able to honour the gift or sponsorship in full or in part.
- 6. Where the acceptance of a gift or sponsorship could give rise to an inference of complicity with illegal activities.

Anonymous Donations

Besides low-level donations received via the Gallery's on-site cash donation boxes, onsite contactless donation points or via the Gallery's online giving page, the Gallery is not able to accept genuinely anonymous donations, because such donations prohibit a proper risk assessment. The identity of donors who prefer to give anonymously must be known to the Director, Director of Development, Research Manager and the Chair, and where necessary the Audit committee.

Policy in Practice

The Development Department operates the policy under delegated authority from the Board of Trustees, who retain overall responsibility for decisions relating to the acceptance of gifts or sponsorship. The Development Department's Operations team will carry out a risk assessment on all prospective gifts or sponsorships of £10,000 in value and above, including Corporate Memberships, exercising due diligence to seek assurance that the acceptance of gifts or sponsorship is in the best interests of the Gallery. The Operations team is not bound by fundraising targets, making their assessment independent of any potential pressure to approve or decline a gift or sponsorship. Risk assessments will also be carried out when:

- Corporate Members renew their membership
- Repeat gifts or instalment payments of existing gifts or sponsorship are greater than £50,000, in which case a risk assessment will be undertaken for each payment.

In the case of repeated gifts or sponsorships, or gifts given in instalments, the previous risk assessment shall be updated to include any significant areas of concern that may have arisen since the previous assessment was carried out.

The Development Operations team will undertake risk assessments, raising any concerns with the Director of Development, who will judge whether an unacceptable degree of risk is attached to a proposed gift or sponsorship. If the outcome of a risk assessment is considered unsatisfactory or if a gift has the potential to cause harm to The Gallery, the Director of Development will decide whether a rejection is appropriate in the first instance. Where there remains some doubt over the potential harm to the Gallery, the matter will be referred first to the Director and, if necessary, the Audit Committee. All gifts or sponsorship of a value of £100,000 or more will be considered by the Director and Audit Committee as a matter of course prior to initial acceptance or signing of contract. Where Audit Committee meeting dates prevent the timely presentation of pressing risk assessments, the Development Operations team may consult the Committee via email: submitting research for consideration, and receiving guidance on approval or rejection, as a matter of relative urgency. All gifts or sponsorship of a value of £100,000 or more will be considered by the Director and Audit Committee as a matter of course prior to initial acceptance or signing of contract.

In exceptional circumstances the Audit Committee may recommend to the Board that advice be sought under s110 Charities Act 2011 through the Gallery's Principal Regulator, the Department of Culture, Media, and Sport, on the issue of whether to accept, decline, or return a gift.

Risk assessments will not be performed on funding received from statutory bodies such as the National Lottery Heritage Fund and Art Fund, or on charities with the sole purpose of supporting the National Gallery, including the American Friends of the National Gallery, London and the National Gallery Trust.

Risk Assessment

When carrying out a risk assessment, potential indicators of 'harm' will be identified by Gallery research, and recorded as part of the assessment process. Such indicators could include:

- The source of a gift or sponsorship is alleged to have participated in illegal activities, including financial crime, or has previously been found guilty of such crime.
- The source of a gift or sponsorship is found to be listed on international or legal exclusion lists.
- The corporation from which a gift or sponsorship derives or is associated has poor ESG (Environmental, Social and Governance) standards, presenting reputational or ethical risk.
- A donor's professional, personal or network status would incur a noteworthy conflict of interest.
- The source of a gift or sponsorship is affiliated with present or past actions that would be liable to incite protest from Gallery supporters, Gallery stakeholders, and the public.
- The financial origin of a gift or sponsorship is suspected to be illicit.

In seeking to limit its exposure to risk the Trustees of the Gallery are committed not to establish partnerships with individuals or corporate entities whose primary enterprise involves activities which may harm the Gallery or its objectives.

Research

In order to compile Risk Assessments and make informed decisions, the Gallery shall undertake its own research into the origin of potential gifts or sponsorships. The Development Operations team will pursue these assessments responsibly, taking care to present their findings without bias. In exceptional circumstances the Gallery's Head of Development may choose to commission additional, freelance or external research.

Risk assessments will consist of an overview of publically available information supported by censure details obtained from services such as the Factiva and Dow Jones Risk Centre database. Sources of publicly available information include Companies House, 192.com (UK Electoral Roll and Directory Enquiries), and information that has been published in articles/newspapers (we use Factiva, a global news database). In order to protect subject rights, risk assessments shall clearly distinguish between allegation and fact, and shall ensure all research is corroborated across multiple sources.

Respecting the Gallery's responsibility to safeguard its prospects' data rights, risk assessments shall be produced at the earliest opportunity prior to the acceptance of a gift or sponsorship and only shared with those making decisions on the risk. Information will be stored and treated in compliance with Gallery's privacy policy.