

ETHICAL FUNDRAISING POLICY FOR SPONSORSHIP & CHARITABLE DONATIONS

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GLASGOW LIFE (SC037844) - DEVELOPMENT TEAM



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1 Executive Summary

Glasgow Life is the operating name of Culture and Sport Glasgow and Culture and Sport (Trading) CIC. It is a Scottish Charity registered charity SC037844

This ethical fundraising policy provides guidance to Glasgow Life on sourcing, accepting, recording and recognising income from various sources, including corporate sponsorship and partnerships, donations from individuals and corporations, and grants from trusts and foundations. For the sake of brevity and clarity, the remainder of this document will refer to **donors** and **donations** but should be construed as encompassing all of these sources of income.

The document also outlines the process to be followed in the event that there is a question regarding the appropriateness of accepting donations from any source.

All donors and donation details, including contact information, donor gift agreements, contracts and correspondence are recorded on the Glasgow Life secure fundraising database, Raiser's Edge.

2 Sources of Income

2.1 Corporate Sponsors and Partners

Sponsorship is a business service and relationship of mutual benefit whereby one party (typically a company) pays a fee, either as cash or in-kind supply of goods or services to an organisation (typically an event organiser, sports governance body, arts organisation or charity) in return for the exploitable commercial potential associated with that organisation, generally a set of assets or benefits such as promotional opportunities. It is not a donation. Because the company (the sponsor) receives benefits, sponsorship fees are VAT-able. Corporate partnerships include sponsorships, and also include relationships where both parties have an equal investment in the partnership – either in cash, resources or a combination thereof – and work together to achieve mutual and/or complementary objectives.

Prior to entering into a relationship with a potential corporate sponsor or partner, Glasgow Life staff should contact the Glasgow Life Development Team which will undertake a screening of the company and its activities and highlight potential ethical, reputational or financial risks of association. This will be done using publicly available information such as the company's own website, reputable news sites, and companieshouse.gov.uk

In the event that any areas of concern are flagged, a Review Process will take place as outlined in point 5 of this document.

Should any organisation using one of Glasgow Life's venues have a title sponsor, or one its programmes sponsored which means the donor's name will be visible in a Glasgow Life venue, this should also be flagged to the Glasgow Life Development Team so that a similar process can take place.

2.2 Corporate Donations

Corporate donations are sums of money or goods-in-kind that a company gives Glasgow Life, in return for which they receive little or no benefits. They are therefore rarely VAT-able. If in doubt on this matter <https://www.gov.uk> provides guidance on what can be treated as a donation and what is considered sponsorship for tax purposes. Corporate donations will be treated in a similar way to money and goods received for sponsorships and partnerships.

2.3 Donations from Individuals

Glasgow Life receives all levels of donations from individuals who wish to support the work we do for the people of Glasgow. Through specific campaigns and appeals, as well as annual membership programmes, the public is invited to give money to a service, project or activity. In some cases these

donations are restricted for a specific purpose (e.g. the Mackintosh Rose Appeal raised money for the 150th anniversary Mackintosh exhibition at Kelvingrove), or unrestricted (e.g. donation made via donation boxes at Glasgow Life venues).

A major donor is an individual (or family/family trust) who is supporting our work with a one-off donation of £50,000 or more. The Development Team manages all relationships with regular donors as well as major donors to ensure a consistent and professional approach and also handles all gift recognition and reporting.

2.4 Legacies

A legacy is any gift (monetary or asset) bequeathed by a person in their Will; an instruction for part of their estate to be given to an individual or organisation after their death. More and more people are generously leaving legacies in an increasingly diverse way and this is currently the fastest growing income stream for charities in the UK. Glasgow Life does not yet actively promote legacy giving, however its museum service already benefits from legacies donations. When Glasgow Life's fundraising strategy includes a more formal legacy giving programme, we will update this policy accordingly. Currently, when Glasgow Life does receive a legacy it is recorded on the fundraising database, the service the donor is supporting is informed and the finance team is also informed to ensure the requests of the donor are fulfilled.

2.5 Income from Trusts and Foundations

Charitable Trusts and Foundations are legal entities that set aside assets or income for charitable causes. The Trust selects charity beneficiaries to which the money is then given, sometimes with set criteria (e.g. funds must be spent for a specific purpose/within a set timeframe). Generally, Glasgow Life is required to submit an application to a Trust or Foundation. If successful, the income is restricted for a specific project. Glasgow Life is not able to claim Gift Aid on any income received, as tax relief will have already been claimed by the Trust. Trust income also requires regular reporting.

3 Governance

As a charity it is the responsibility of Glasgow Life to make decisions relating to the acceptance or refusal of income in the best interests of the charity. This section outlines the roles and responsibilities of parties in relation to sources of income at the various levels of decision-making.

3.1 Roles and Responsibilities

While the Development Team has the day to day responsibility for sourcing and managing voluntary income, and on making strategic decisions relating to such, from time to time the Head of Development may deem it appropriate and/or necessary for these decisions to be referred to the Leadership Team. This section outlines the responsibilities of each group:

3.1.1 The Development Team

Since the creation of Glasgow Life as a charity in 2007, the Development Team has been responsible for sourcing, facilitating, recording and managing the majority of commercial sponsorship and partnership agreements as well as voluntary income from donations from individuals and companies, grants from trusts and foundations and some statutory grants.

Although most fundraising activity is undertaken by the Development Team, colleagues in other teams also secure funds for specific projects, particularly from statutory sources. However all funding bids and proposals should be logged by the Development Team which should always be consulted before an approach is made to any potential donor. The Development Team also need to be kept informed as to the progress of any such application or approach so that they can log contact with donors on the dedicated database. The Development Team will provide guidance as to the suitability of any application, support throughout the process, and advise on delivering and managing recognition and other benefits.

It is the responsibility of the Development Team to keep a record of all voluntary income to Glasgow Life for reporting and audit purposes. The team manages a central database to prevent multiple applications being made to the same source if this is not within the donors criteria, and ensure that the most appropriate projects are matched with the best funding source, thereby maximising potential income to the charity.

4 Donations

4.1 Sponsorship and Corporate Donations

The Development Team will lead on all sponsorship activities such as the development of a sponsorship strategy, identification and valuation of benefits packages, research and cultivation/stewardship activities. It will provide guidance to Glasgow Life on how sponsorship and corporate donations should be managed across the organisation, and where required will liaise with internal and/or external legal experts for advice on contracts, benefits and Rights packages.

4.2 Trusts and Foundations

The Development Team will lead on all Trusts and Foundations activities including research, applications, reporting and stewardship. The Development team shares Trusts and Foundations guidelines internally to promote good practice for other Glasgow Life teams who secure funding from this source and statutory funds. The Senior Development Officer for Trusts and Foundations can advise/ support colleagues through the application and stewardship process.

4.3 Individual Giving

The Development Team will lead on the creation and delivery of all individual giving programmes and campaigns. This includes one-off mass appeals and annual giving programmes such as Glasgow Museums' Patrons Circle and Celtic Connections' Rovers. The team will establish and maintain fundraising procedures, in-line with the Code of Fundraising and implement initiatives in line with other charities such as contactless giving, Direct Debits and Text to Give to maximise the giving opportunities for Glasgow Life.

4.4 Other Teams Seeking Support

As a charity, everyone is involved in fundraising to some extent and colleagues across Glasgow Life undertake fundraising activity related to their own outputs. However all such opportunities and approaches should first be run past the Development Team to ensure that there are no financial, commercial, reputational or other such risks associated with the donor. Activity is shared across the organisation at the monthly Operations Board.

4.5 The Leadership Team

When in doubt as to the propriety of a donor, Glasgow Life's Leadership Team will take the ultimate decision on accepting or declining a donation using this policy as a guideline.

5 Review Process

The Fundraising Regulator, OSCR decrees that all organisations must go through a process of due diligence, proportionate to the scale of the relationship, before engaging in a partnership; and organisations must ensure there are no conflicts of interest, or potential conflicts of interest relating to the partnership.

5.1 Levels of Review

In practice, this will mean that a review of the donation and if applicable, the donor, will be undertaken at the outlined levels of income by then following personnel:

5.1.1 ≤ £5,000

Generally a one-off sponsorship, grant or donation – reviewed by Head of Development

5.1.2 £5,000 - £20,000

A larger sponsorship, grant or donation that sometimes attracts specific benefits.
Reviewed by Head of Development and Head of Service.

5.1.3 £20,000 - £100,000

A significant sponsorship or donation, possibly over more than one year, requiring major account management and donor stewardship.
Reviewed by Head of Development, Head of Service and Director.

5.1.4 £100,000+

A major sponsorship or donation, possibly over more than one year, requiring major account management and donor stewardship.
Reviewed by Head of Development, Head of Service, Director and CEO if required.

6 Ethical Considerations

As a charity which relies more and more on donations and donors to be able to deliver high quality services that reach everyone in the city, Glasgow Life welcomes all potential sources of income. However, income should be refused if it can be proven that the risks associated with accepting it outweigh the benefits. Specific ethical considerations for each income source are outlined below:

6.1 General considerations across all income sources

In weighing up the ethical risks of donation sources, decision-makers must not let any personal opinions or prejudices affect their conduct and decisions on behalf of the charity. They must examine and consider the evidence presented to them, and check their behaviour to ensure that they are acting in the best interests of Glasgow Life.

6.2 Sponsorship and Corporate Donations

Examples to consider when evaluating potential corporate relationships include:

- Does the cost of delivering sponsorship benefits outweigh the benefits to the charity, resulting in a net loss to Glasgow Life?
- Is there a conflict between the company or product and the principal audience of the project in question? E.g. alcohol sponsorship would not be considered for an event aimed at children, but this is not a valid reason to refuse such a sponsorship where the audience is primarily adults.
- Do the activities and aims of the company conflict with the aims and objectives of Glasgow Life?

6.2.1 Individual Giving

Examples to consider when evaluating potential relationships with individuals includes:

- Have any public concerns been raised about the donors or their activities? If so, what was the nature of the concerns and how long ago were they raised? Did the police or a regulator investigate the concerns? What was the outcome?
- Would any adverse publicity about the donor have a damaging effect on the charity?
- Unusual or substantial one-off donations or a series of smaller donations or interest-free loans from sources that cannot be identified or checked
- Where a charity is told it can keep a donation for a certain period of time, perhaps with the attraction of being able to keep any interest earned whilst holding the money, but the principal sum is to be returned at the end of a specified, short, period

- Where donations are made in a foreign currency, and again unusual conditions are attached to their use, e.g. including a requirement that the original sum is to be returned to the donor in a different currency
- Where donations are conditional on particular individuals or organisations being used to do work for the charity where the trustees have concerns about those individuals or organisations
- Where a charity is asked to provide services or benefits on favourable terms to the donor or a person nominated by the donor

6.2.2 Individual Giving - Vulnerable Supporters

It is possible that we may come into contact with people who are vulnerable and not able to make informed decisions about their giving. This section outlines how we take all reasonable care to identify supporters who may be vulnerable, and what action we take if we suspect a person is vulnerable.

By 'vulnerable adult', we mean a person who lacks the ability, either temporarily or permanently, to make an informed decision about donating money to Glasgow Life. There are a number of factors which can contribute to vulnerability. Examples of indicators which could mean that an individual is in a vulnerable circumstance or needs additional support could include, but is not limited to:

- Mental illness and mental capacity concerns (both permanent and temporary conditions), including dementia and personality disorders
- Significant physical illness
- Physical and sensory disability
- Learning difficulties
- Times of stress or anxiety (e.g. bereavement, redundancy)
- Financial vulnerability (where a gift from a donor may impact on their ability to sufficiently care for themselves or leave them in financial hardship)
- Language barriers
- Influence of alcohol or drugs

To ensure that we take all reasonable care to protect vulnerable adults, Glasgow Life complies with the Institute of Fundraising guidance set out in the document *Treating Donors Fairly: Responding To The Needs Of People In Vulnerable Circumstances And Helping Donors Make Informed Decisions*. The Fundraising Regulator's Code of Fundraising practice states that:

- Fundraisers must take all reasonable steps to treat a donor fairly, enabling them to make an informed decision about any donation. This must include taking into account the needs of any potential donor who may be in a vulnerable circumstance or require additional care and support to make an informed decision.
- Fundraisers must not exploit the credulity, lack of knowledge, apparent need for care and support or vulnerable circumstance of any donor at any point in time.

If we suspect that a donor lacks the capacity to make a decision about their donation, Glasgow Life will not ask for a donation and/or accept a gift. If after the donation is taken we receive evidence that the donor lacked capacity to make the decision to donate, Glasgow Life will return the donation and measures will be put in place to ensure donations are not solicited from them in the future.

6.2.3 Trusts and Foundations

Examples of things to consider when evaluating potential relationships with Trusts and Foundations include:

- Do the activities and aims of the Trust or Foundation conflict with the aims and objectives of Glasgow Life?
- Does Glasgow Life have the capacity to manage and deliver the agreed proposal without having a negative impact on current provision?

6.2.4 Statutory Bodies

Examples of things to consider when evaluating potential relationships with individuals includes:

- Have any public concerns been raised about the donors/donor organisation and their activities? If so, what was the nature of the concerns and how long ago were they raised? Did the police or a regulator investigate the concerns? What was the outcome?
- Would any adverse publicity about the donor have a damaging effect on the charity?

7 Managing Potential Ethical Conflicts

In some cases it may be decided that although an income source represents some potential risk or conflict, this can be managed and contained by appropriate means. Some examples of this are below, and it is anticipated that each situation will be unique and require all involved parties to work together to minimise any possible damage and maximise benefit.

7.1 Sponsorship and Corporate Donations

During the sponsor selection process, companies/ industries will fall into one of three possibilities categories depending on how closely they match Glasgow Life's sponsorship principles:

Glasgow Life would accept the sponsorship without hesitation

Glasgow Life would accept the sponsorship but with conditions attached

Glasgow Life would refuse the sponsorship

Criteria for selecting sponsors will differ for different audiences and projects across the organisation and the propriety of each new sponsorship should be considered on a case by case basis using the ethical principles as a guide. The following types of companies have the potential to conflict with Glasgow Life's vision for some of its projects and consideration of audiences should be taken into account when entering into discussions with sponsors in these industry sectors:

- Alcohol industry
- Tobacco & Vaping industry/companies
- Betting/ gambling industry
- Debt collectors/ short term loan companies
- Political or religious groups
- Defence industry or arms producers
- Companies under investigation for illegal activity/ dubious companies
- Fast food/confectionery and soft drinks companies
- Companies that we are currently in contractual negotiations with for other services

It should be remembered that many of these sectors are already under governmental or industry regulation. Furthermore, companies are aware of the importance of appropriate messaging and take their corporate social responsibility seriously.

The positive steps taken by companies in these sectors (often around health, environmentally and socially- conscious messages and outcomes) may enable Glasgow Life to avoid or mitigate conflicts of interest and any reputational issues associated with accepting such sponsors.

7.2 Trusts & Foundations and Individual Giving

During the research and cultivation stage the Development Team will assess all Trusts and Foundations/Individuals to ensure that they do not have the potential to cause any ethical conflicts. Should doubt arise Glasgow Life's Leadership Team will decide if a funding proposal should be progressed or not. If we have entered into a funding agreement with a Trust or Foundation and their circumstances were to change causing an ethical conflict, the Development Team will seek guidance from the Leadership Team and Legal Department as a matter of urgency.

7.3 Escalation Procedure

When there is doubt as to the propriety of a donation, sponsor or a sponsorship activity the final decision will be reviewed and considered by the following parties in the order designated below. The Glasgow Life Leadership Team will take the ultimate decision on accepting or declining a sponsorship proposal, using this sponsorship policy as a guideline.

1. Head of Development
2. Head of Service
3. Glasgow Life Leadership Team

8 Equality of Commercial Opportunities

8.1 Existing and new relationships

It is the policy of the Development Team to prioritise existing relationships which have proven to be successful for all parties involved, although these will be reviewed on an annual basis to ensure that they continue to be maximally beneficial. New approaches to replace those partnerships will be entertained in a commercially sensitive manner and will only progress if it is deemed that the new relationship will be notably more beneficial than the extant one, with particular regard to income stability and good working relationships. Extant partners will be given the opportunity to match or better the offer from a new approach.

As far as new relationships are concerned, enquiries regarding potential sponsorship of events and projects from companies and their representative agencies will be prioritised as 'warm leads', rather than 'cold calling' multiple companies which have demonstrated no interest in a relationship.

8.2 Advertisement of Opportunities

Opportunities to sponsor projects and events will be advertised as far as possible on relevant websites and publications, alongside contact details for the Development Team, e.g. in event brochures or 'Support Us' sections of websites.

Where a new industry-specific opportunity is identified and taken to market, approaches will be made in the first instance to existing and recent sponsors and to those who have made enquiries. Should no progress be made with any of these leads, approaches will be made to companies identified by the Development Team as potential sponsors through research from sources as outlined in section 3.1.

8.3 Conflict of Interest with Procurement

Where a sponsor or potential sponsor is or may in the future, be bidding for business from Glasgow Life, an 'ethical wall' will be established between the Development Team and the team leading on the bid or procurement decision. The sponsor or potential sponsor will be informed of this fact, and of the fact that their support or potential of Glasgow Life will have no impact on the tender decision, save where this is included as part of the tender process.

8.4 Non-collusion

For the avoidance of doubt, all standard Glasgow Life contracts include a non-collusion clause as follows:

8.4.1 The Sponsor shall not offer or give, or agree to give, to any employee or representative of CSG any gift or consideration of any kind as an inducement or reward for doing or refraining from doing or for having done or refrained from doing, any act in relation to the obtaining or execution of this or any other Agreement with CSG for showing or refraining from showing favour or disfavour to any person in relation to this or any such Agreement. The attention of the Sponsor is drawn to the criminal offences created by the Bribery Act 2010.

8.4.2 CSG may terminate this Agreement and recover from the Sponsor the amount of any loss resulting from such termination if the Sponsor or its representative (whether with or without the Sponsor's knowledge) shall have practised collusion in tendering for the Agreement or any other Agreement with CSG shall have employed any corrupt or illegal practices in the obtaining for performance of the Agreement or any other Agreement with CSG.

9 Contact for Further Guidance

Please contact the Head of Development at Glasgow Life:
Charlotte di Corpo at charlotte.dicorpo@glasgowlife.org.uk