

## FUNDING POLICY

Last reviewed: April 2022

---

### **Purpose and context**

The aim of this policy is to provide clarity to all our stakeholders about the criteria we use to decide who we will and won't accept funding from. In order to ensure the ongoing availability of funds to support its work, Integrity Action aims to maintain a broad base of funders and, in line with our values, we recognise the importance of collaboration and partnership to our work.

### **Application**

This policy applies to all sources of funding including private individuals, corporate foundations, corporate partnerships, charities, institutions, trusts, foundations and governments.

Funding includes grants, commercial contracts, service agreements, partnership agreements, in-kind donations such as time or goods, and awards/prizes.

### **Ownership**

The Head of Funding is responsible for the implementation of this policy and the CEO is accountable. The CEO must approve all new sources of funding.

If a funding offer is turned down the reasons for doing so must be documented and a report provided to the fundraising committee at their next meeting.

### **Acceptance criteria**

As a general rule, Integrity Action does not engage in direct public fundraising.

We will also not accept funding which:

- is associated with **criminal or unethical behaviour**;
- may negatively impact Integrity Action's core methodology has to be safeguarded, especially the power of citizens to collect data, independently report on problems and fixes, in-real time
- could **lead to a significant reduction in support** for Integrity Action and so risk a **reduction in resources** available to fund our work over the medium/long term. This includes loss of credibility among our network, loss of staff or the inability to recruit staff or partners;
- **would further the funders own objectives which conflict with those of Integrity Action.** For example, there may be some potential funders whose activities are clearly

detrimental to the communities we work with and to accept a donation might assist in giving respectability to the funder and thereby help to promote the continuance of those detrimental activities;

- is **anonymous** – we believe that transparency is a vital component of integrity – we will not accept funding from sources which are unknown to us. We disclose the source and purpose of all material funds in our annual report or on our website;
- **compromises** the independence of Integrity Action – we will not compromise our ability to make autonomous decisions in line with the objects of the organisation;
- has **administrative and/or reporting requirements which place an undue burden** on us. Ideally reporting should be a constructive exercise which encourages us to reflect and document our experiences in a way that will help us to learn and grow;
- has **unrealistic budget expectations**, for example, does not contribute sufficiently to our core costs and allow us to meet our full cost recovery policy.

As some of the above criteria can be subjective, **at times an Ethical Fundraising Consultation process** may be required. This consultation process is not necessary for every funding decision, but will help provide the guidance for the CEO and Head of Funding to make Go/No Go Decisions on pursuing any funding which may be viewed as controversial.

## **Ethical Fundraising Consultation**

Integrity Action's Ethical Fundraising Consultation will consist of **an internal and external consultation process specific to the funder/partner**. The consultation will:

- Explore the range of opportunities and benefits of the partnership (including: reputational, operational, financial, programmatic)
- Explore the range of risks of the partnership (including: reputational, operational, financial, programmatic)
- Ensure a broad range of views are provided by including internal and external stakeholders (Integrity Action staff, external partners/funders/experts, board members, etc)
- Establish Integrity Action's 'Red lines' for the partnership/acceptance of funding if pursued.

Due to the variety of funders/partners each consultation process necessitates different questions and approaches, thus Integrity Action has chosen to not develop a formal format at this stage. **The consultation process will be fully documented** for transparency, saved in fundraising folders, and shared with the Fundraising Committee on request.

## **Guiding principle**

Trustees and staff must act in the interest of the charity in pursuing its objectives. Integrity Action can refuse funding only if accepting it would be more detrimental to the charity than rejecting it.

### **Relevant legislation and guidance**

- **Fundraising Regulator, Code of Fundraising Practice:** The independent regulator of charitable fundraising in England, Wales and Northern Ireland.
- **The Charities Act 1992:** in relation to commercial participators and professional fundraisers.
- **The Charities Act 2011:** in relation to seeking the views of the Charity Commission on whether to accept or refuse a particular donation, or an order to sanction the trustees' dealings with charity property.
- **The Bribery Act 2010:** in relation to bribery offences.
- **Finance Act 2011:** in relation to tainted charity donations.
- **Proceeds of Crime Act 2002:** in relation to suspected money laundering.
- **Terrorism Act 2000:** in relation to disclosures of beliefs or suspicions of terrorism offences.
- **Institute of Fundraising:** Donations acceptance and refusal policies and processes guidance

### **Related Integrity Action policies**

- Anti-bribery and corruption policy
- Conflict of interest policy
- Full cost recovery policy