



## Heartlands Community Trust

### Fundraising Policy and Code of Practice

<b>Date of Last Review</b>	<b>New policy</b>	<b>Author</b>	
<b>Date of next Review</b>	<b>November 2021</b>	<b>Owner</b>	<b>Leslie Boodram</b>
<b>Type of Policy</b>	<input checked="" type="checkbox"/> <b>Trust Policy</b> <input type="checkbox"/> <b>Tailored by School</b>	<b>Approval</b>	<input type="checkbox"/> <b>SLT</b> <input checked="" type="checkbox"/> <b>LGB/R&amp;R</b> <input type="checkbox"/> <b>Board</b>

## **1. Review and approval**

- 1.1 Heartlands Community Trust (the “Trust”) is a multi-academy trust (MAT), and the Board of Trustees have overall responsibility for the policy, and has delegated the responsibility of operating the policy to the Chief Executive Officer.
- 1.2 This policy is reviewed every 3 years by the School Leadership Team, and is then ratified by the Trust.
- 1.3 The policy has been reviewed for the Data Protection Act 2018 and the General Data Protection Regulation (GDPR). The Data Protection Officer has contributed to the production of this policy, and is involved in every review.
- 1.4 The Trust auditors have also reviewed this policy.
- 1.5 Trust employees are required to follow this policy, failure of which may lead to disciplinary action.

## **2. Introduction**

- 2.1 The fundraising function has been established within the Trust to garner support for:
  - projects that increase pupil enrichment
  - areas of school activities that are not covered by statutory funding
  - contributing towards financial stability
- 2.2 Fundraising has fallen within two main categories, and although not exclusive they are:
  - staff driven
  - project driven
- 2.3 This policy will provide an operating framework, complying with both statutory regulations and what is deemed as acceptable good practice within the Trust.

## **3. Operating framework**

- 3.1 This will outline three main areas:
  - Values and Ethos
  - Regulation
  - Trustee responsibilities

### Values and Ethos

- 3.2 Given the nature of the business, the Trust will ensure:
  - Any fundraising activity will protect the name and reputation of the Trust at all times and fit within the vision, values and ethos of the Trust which can be found at Annex A.Areas of interest:

- Publicity and promotional activities are to be truthful and non-deceptive with a clear statement of use. All materials<sup>1</sup> used for fundraising must be reviewed and approved by a relevant/authorised person – these being the CEO/CFO – prior to being published to generate funds or promote an event
- As appropriate, promotional material (printed/electronic), e.g. a brochure will contain the footer “Heartlands Community Trust, a charitable company limited by guarantee registered in England and Wales with company number 08482398”
- Positive images will be used to convey fundraising messages. The Trust will not use images that make use of human misery or in any way compromise the dignity of any human being.
- Fundraisers or volunteers carrying out fundraising activities are expected to act with fairness, honesty, integrity and openness
- Fundraisers must not exploit their position for personal gain
- Fundraisers and volunteers work in the best interests of the Trust and, to this end, the expected behaviours will be clearly communicated to them
- The Trust will not conduct any cold calling or door to door solicitation of the public
- Any external event that the Trust may choose to hold will be supported by an adequate risk assessment(s) prior to the event taking place
- Any concerns relating to fundraising by staff or volunteers should be communicated to line managers in the first instance, and if appropriate via the Trust Complaints or Whistle Blowing policies
- All fundraising activities will be conducted in an ethical manner, in line with the Charity Commission’s code of practice<sup>2</sup>, found [here](#)
  - Any novel or contentious donation will be referred to the Chief Executive Officer or Chief Finance Officer. Both officers are at liberty to refer judgement to the Board of Trustees to decide. Whatever action is taken, it must be in the best interests of the Trust. The reasons behind the decision must be considered, be justifiable and made clear in line with this policy; taking into account the values and ethos of the Trust and any relevant Trust policies such as Safeguarding, Equal Opportunities etc. Legal advice may be sought by the Trust to help inform the final decision on whether to decline or accept a contentious donation. If a donation is accepted and subsequently found to be inappropriate, advice must be taken to ensure that the Trust will not be damaged by returning the donation in line with current charity regulations
  - The Trust will ensure that it *knows its donors* and will provide the best experience during their engagement. To facilitate the former, the Trust will use the Charity Commission guidance at Annex B
  - Due diligence will be applied to donor’s backgrounds on a case by case basis (i.e. background checks) to ensure compliance with Trust aims. A Charity Commission checklist is provided at Annex C

---

<sup>1</sup> All published material will contain the footer: Heartlands Community Trust is an exempt charity regulated by the Department of Education

<sup>2</sup> The Charity Commission does not regulate the Trust (see paragraph 3.6), but the Trust follows their best practice guidance

- All reasonable steps will be taken to treat donors fairly enabling them to make an informed decision. This will include being aware if a donor is vulnerable or lacks capacity. The Trust will not exploit any donors or intrude on their privacy. In the event of any complaints they must be responded to in a fair, proportional and appropriate fashion
- Any fundraising activity must be carried out in line with other relevant Trust policies e.g. Equal Opportunities, Safeguarding, Confidentiality and Complaints

### Regulation

3.3 Fundraising is tightly regulated, as per Government, Charity Commission guidance, and in adherence to the principles set out in the Academies Financial Handbook 2018. The Trust will ensure:

- All donations (i.e. funds, equipment, services) will be clearly divided between those restricted and unrestricted in nature, and spent appropriately
- All donations will be used properly and spent effectively by keeping adequate accounting records. All donations will be used for the cause or project that were attached to the donation, in the timeframe donated, except in those circumstances when the donation was clearly given on an unrestricted basis
- In case of a cancellation of event, donors will be informed if event was to raise (restricted) income and the donor must agree to a change of use of their donation or change of timescale or offered their donation back
- Donors will be kept informed of how the donation was spent. If the event of restricted donations not being spent, the donor will be informed and asked how they wish the Trust to proceed and given options
- If Gift Aid is reclaimed in respect of any donation, all Gift Aid conditions will be met
- The costs of fundraising will be managed appropriately and be proportionate in nature
- In the event of a suspicious donation, the Chief Finance Officer (CFO) and/or Chief Executive (CEO) will be immediately alerted (see Annex B)
- Fundraising will be included in the Trust's annual audit programme, giving assurances that the fundraising function is operating in line with controls and in line with the policy and code of practice

3.4 This relates to the processing of personal data, and for the purposes of the Data Protection Act 2018 the Trust is a data processor. The processing of corporate data bodies is not covered by this act.

3.5 The Trust will rely on the legal basis of consent to approach parents via emails/letters/texts etc. This means that the Trust cannot use its current parental database without permission. This is because:

- **GDPR.** As well as having to be consent compliant, i.e. confidential, explicit, specific, withdrawable, retention etc, the Trust has to show that the use of the information for this purpose is fair, transparent and lawful. Accordingly:
  - Fairness. The use will not be fair. Most likely it will not have been within the reasonable contemplation of the parent when they submitted their details to the Trust: no form currently asks parents to consent to direct marketing/fundraising purposes. It is reasonable that the expectation of the parent is that The Trust will use that information only for the purposes of educating the students
  - To be transparent, the Trust will would have to refer to this use in its privacy notice, and have made parents aware of those notices. Fundraising is not contained within current privacy notices
  - There is some traction that the Trust could for post activity rely on legitimate interests. But there is a strong argument that the prejudice to the parent in receiving this form of unsolicited communication would outweigh any legitimate interest the Trust had in sending it
- **Privacy and Electronic Communications Regulations.** To send emails or text messages (or make calls), triggers these Regulations. This is because fundraising is considered to be "direct marketing". These Regulations state that a body must have *prior consent* from the individual receiving marketing/fundraising material before it can be sent

#### Trustees Responsibilities

- 3.6 The power to fundraise is contained within the Trust's Articles<sup>3</sup>. The Board of Trustees have the powers to delegate their powers to fundraise to any trustee, Committee, local governing bodies (LGB), Chief Executive Officer (CEO) or any other holder of an executive office<sup>4</sup>. The Board of Trustees have made the Chief Executive Officer responsible.
- 3.7 As the Trust is the legal body, only Heartlands Community Trust (or delegated body) can fundraise. This means any donations derived from fundraising will be the property of the Trust. Duly, the Board of Trustees are responsible for establishing, implementing and monitoring internal financial controls.
- 3.8 If a donation to the trust is challenged by a third party, the matter will be raised with the CEO/CFO. Legal or any other professional advice may be sought in order to support the Trust in understanding how to proceed.
- 3.9 The Trust's legal status is that of charitable company limited by guarantee. However, it is also an exempt charity<sup>5</sup> and as such is exempt from registration and regulation by the Charity Commission. This arrangement means:

---

<sup>3</sup> Articles of Association, Paragraph 5, adopted 4 July 2016

<sup>4</sup> Articles of Association, Paragraph 105, adopted 4 July 2016

<sup>5</sup> The means that its Principle Regulator is not the Charity Commission, but the Department of Education

- Any direct guidance the Trust requires must be sought from the principal regulator, i.e. the Department for Education
- Any complaint a donor may wish to make must be made to the principal regulator
- As an exempt charity the Trust does not possess a charity number. This may disbar it from certain funders who will only fund organisations registered by the Charity Commission. Where this arises the Trust may consider entering into partnership with another registered organisations(s) in order to secure funds, e.g. for a specific project, service or set of resources. If this is to be considered, appropriate checks/due diligence will be conducted (in a similar vein to that set within the Finance Policy and Annex B) to ensure that the partner organisation meets financial and regulatory checks and operates in line with good practice and the ethos and values of the Trust

## **Heartlands Community Trust Vision and Values<sup>6</sup>**

### **Our Vision**

Our schools and staff nurture a commitment to learning through developing schools with a strong ethos, outstanding achievement, high-quality teaching and learning and exciting partnerships.

### **Ethos**

We want schools to retain their unique character. We ensure that children and young people are valued as individuals and enjoy their learning. Structured approaches to behaviour strategies provide children, young people, parents and staff with clear policies within which to work. We create value systems in schools that support character development. We operate a values system based upon SEARCH for SUCCESS (School Matters, Effort, Achievement, Responsibility, Community, High Aspirations).

### **Outstanding Achievement**

We encourage the highest of expectations in relation to academic attainment and pastoral attainment by creating well rounded young people with the social capital to succeed.

### **High-Quality Teaching and Learning**

Our schools provide a curriculum that places a priority on success across English, maths, science, languages and humanities, without impacting on the arts. We inspire our children and young people to ask questions, to interrogate and to love to learn. Where children and young people need support we act with early intervention. Our six principles of learning provide an effective framework for raising standards in teaching and learning.

### **Partnerships**

We value, and build strong and productive links with our Local Authorities by encouraging our schools to play a central role within their own communities.

### **Our Approach**

The Heartlands Community Trust was established to ensure inclusive high-quality education. We aim to develop a network of schools that are collaborative and based in clusters, around geography and need.

---

<sup>6</sup> Source: Heartlands Community Trust Governance Plan 2018, Page 3

**Know your donor - key questions<sup>7</sup>**

These questions are not intended to be asked in respect of all/each donor. However, trustees/offices may need to consider them depending on the risk, including the size and nature of the donation, and whether it appears to have any suspicious characteristics.

**General information**

- Who are the donors?
- What is known about them?
- Does the charity have a well-established relationship with them?
- Do any additional identity checks need to be made? Full use should be made of internet websites, particularly to check whether a donor organisation is registered with another regulator. Registration may provide access to the organisation's accounts and governing document
- Are the donors UK taxpayers, and can Gift Aid be claimed?
- If Gift Aided, does the donation fail all the three tests, in which case it is a tainted charity donation? The tests establish whether:
  - the person or linked person or entity gains a financial advantage from the donation
  - one of the main or sole purposes is to obtain a financial advantage directly or indirectly from the charity for the donor or linked person
  - the donor is not a wholly owned subsidiary of the charity or a 'relevant housing provider'
- In what form is the money being received? Cash, cheque, bank transfer?
- 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?

**Comments**

---

<sup>7</sup> Charity Commission publication. Toolkit 6



**The nature of the donation and any conditions**

- How big is the donation?
- Is it a single donation, or one of a number of regular donations, or the first of multiple future donations?
- Is the donation one of a series of interest-free loans from sources that cannot be identified or checked by the charity?
- Are there unusual or substantial one-off donations?
- Does the donation come with any conditions attached? What are they? Are they reasonable?
- Is there a condition that funds are only to be retained by the charity for a period and then returned to the donor, with the charity retaining the interest?
- Is the donation conditional on particular organisations or individuals being used to apply the funds?
- Is the donation conditional on being applied to benefit particular individuals either directly or indirectly?
- Is there a suggestion that the charity is being used as a conduit for funds to a third party?
- Is the donation in sterling or another currency, perhaps with a requirement that the donation be returned in a different currency?
- Are any of the donors based, or does the money originate, outside the UK? If so, from which country? Does this country/area pose any specific risks?
- Are donations received from unknown bodies or international sources where financial regulation or the legal framework is not rigorous?
- Is the donation received from a known donor but through an unknown party or an unusual payment mechanism where this would not be a typical method of payment?
- Is anything else unusual or strange about the donation?

**Comments**

**What trustees/officers should do if they are suspicious**

- If due diligence checks reveal evidence of crime, trustees/officers must report the matter to the police and/or other appropriate authorities.
- If the trustees/officers have reasonable cause to suspect that a donation is related to terrorist financing, they are under specific legal duties under the Counter-Terrorism Act to report the matter to the police. In the case of money laundering, reports can be made to the police, a customs officer (HMRC), or an officer of the National Crime Agency.
- Such issues should be reported to the Principle Regulator under the reporting serious incidents regime, especially if significant sums of money or other property are donated to the charity from an unknown or unverified source. This could include an unusually large one-off donation or a series of smaller donations from a source you cannot identify or check. The DfE would expect Trusts to report any such payment (or payments) totalling £5,000<sup>8</sup> or more.
- Check the donor against the consolidated lists of financial sanctions targets and prescribed organisations.
- Consider whether to refuse the donation.

**Comments**

---

<sup>8</sup> Academies Financial Handbook 2018, Page 39, Section 4.9.2

**Taking responsibility for fundraising: a checklist<sup>9</sup>**

The questions in this checklist are designed to help charity trustees evaluate the charity’s performance, at suitable intervals, against the legal requirements and good practice recommendations set out in the guidance. Trustees can use or adapt it whether they carry out the fundraising themselves or delegate it to others.

Each of the questions on the checklist links to a paragraph of the guidance, where further details can be found. Not all the issues listed will be appropriate for all charities, for example, where a section of the checklist deals with an area of activity that the charity does not undertake then that section of the checklist will not apply.

**Planning effectively**

We have set or agreed our fundraising strategy/plan.

It reflects:

- our charity’s values
- the resources we use and the costs we incur in our fundraising
- the key financial and reputational risks we may face

We discuss it at our meetings so that we can:

- monitor progress
- manage the key risks

**Supervising our fundraisers**

We have considered and decided which fundraising issues we will not delegate.

We have effective systems in place so that:

- Our in-house fundraising staff:
  - know what they are supposed to do, via written role descriptions
  - are doing the job successfully
- Our recruited volunteers:
  - know who they report to, and who to approach with problems or concerns
  - understand the boundaries within which they must work when representing our charity
- Our subsidiary trading company:
  - when raising funds for our charity, is monitored for its effectiveness in doing so
  - only enters into commercial partnerships which are in our charity’s best interests
- Our arrangements with our commercial partners:

---

<sup>9</sup> Charity Commission publication, June 2016

- fully comply with relevant legal requirements (see Annex 1 of Charity fundraising: a guide to trustee duties)
- Our arrangements with our commercial partners are in our charity’s best interests because:
  - appropriate due diligence is undertaken
  - our fundraising values and expectations are communicated
  - the costs are justifiable and can be explained
  - proper control is kept of the money raised
  - the fundraising communications to be used are reviewed
  - compliance with the agreement is monitored
  - any conflicts of interest are recognised and dealtwith

**Protecting our charity’s reputation, money and other donations**

- We have effective systems in place so that:
  - the reputational risks our charity may face in its fundraising are identified, assessed and managed
  - likely donor, supporter and public perception is considered when income expectations and other goals are considered
  - the legal rules and recognised standards which apply to our fundraising are followed
  - our values are communicated to the people who work on our fundraising
  - the costs of our fundraising are managed and explained
  - our fundraising finance is planned and monitored
  - effective financial controls are in place and followed
  - risks of financial crime and fraud are reduced
  - our charity is alerted to any suspicious donations
  - our charity can stop (or authorise) any unauthorised fundraising activity using its name
  - serious incidents are reported to the commission, police and other agencies
  - our data, name, image logo and intellectual property are protected

**Following the law and recognised standards**

- We have effective systems in place so that:
  - the Code of Fundraising Practice and other resources (see Annex 2 of Charity fundraising: a guide to trustee duties) are used to find out about the legal rules and recognised standards which apply to our fundraising
  - these rules and standards are followed

**Be open and accountable**

- We have effective systems in place so that:
  - any legal rules and requirements that apply to how our charity reports on and accounts for its fundraising are complied with
  - our open and accessible complaints procedures are followed if concerns are raised about our fundraising

- our fundraising aims and achievements are clearly communicated to the public and to donors and supporters

