

# CHILDREN OF WATAMU / HAPPY HOUSE

## DONATIONS POLICY

### Introduction

1. The charity relies on income from donations by individuals who wish to support our work and the children within our care.
2. This policy governs the acceptance and refusal of donations. It also covers the steps that we take to:
  - ensure that the donations we accept are lawful; and
  - mitigate the risks to the charity which might arise from receiving donations, for example that the donation funds are connected with money laundering or other forms of financial crime. .
3. This policy aims to ensure that we have a robust and informed decision-making process for any donations that might be deemed high risk.
4. This policy takes note of the Charity Commission's guidance and compliance toolkit: Protecting charities from harm.
  - [Accepting, refusing and returning donations to your charity](#)
  - [Chapter 2: Due diligence, monitoring and verifying the end use of charitable funds](#)

### Donations defined

5. Donations can mean money, land, goods and services, or property of any kind freely given to the charity. This includes bequests and grants.
6. Grants may also constitute a legal contract.

### Knowing our donors

7. We recognise that the charity should know, at least in broad terms, from where the money being donated to us comes from.
8. In particular, our Board of Trustees must be aware of and be assured of any substantial donations, either made on a one-off basis or on an aggregate basis, for example through regular payments across the year.

### Receiving monetary donations

9. We accept one-off donations and regular donations from individuals, for example via a monthly standing order.
10. It is our preference to receive donations made using electronic means of payment, such as bank transfers or standing orders, or payments via our PayPal or JustGiving accounts. This helps to ensure that donations are transparent and traceable.
11. As a small charity, we do receive cash payments, for example at fundraising events and when visitors come to the Happy House children's home. Such cash payments are

usually for small amounts, typically less than £150 (or Ksh.24,000). Receipts are given for cash donations.

12. Any donor wishing to make a larger payment than £150 should be encouraged to use an electronic means of payment such as PayPal. Should it be necessary to accept a cash payment of more than £150 (or 24,000 Ksh) from an individual, we will record the donor's contact details including name, address, email and telephone number.
13. We will accept donations from businesses and other organisations. They should be made by electronic means of payment and not in cash, in order that all such donations are transparent and traceable. We recognise that if the donation is in the form of a grant, there may be conditions and it may constitute a legal contract.
14. All donations of more than £5,000 (or 825,000 Ksh), either as a one-off donation or as a total donation across the year, must be scrutinised by the Director and reported to the Board of Trustees. The donor's contact details must be recorded, as stated above. .

### **Gift Aided donations**

15. Many monetary donations made by individuals to the charity will be made under the Gift Aid Scheme, and this benefits the charity as we can claim a Gift Aid repayment from HMRC each year.
16. The charity recognises the importance of ensuring that the rules of the Gift Aid scheme are adhered to and proper records of donors and donations are kept, in order for us to submit a valid claim each year.
17. We also recognise that it is important to remind those making regular donations under the Gift Aid scheme that they must inform us if their circumstances change, for example they move address or no longer pay sufficient tax to cover their donations to all charities.

### **Receiving non-monetary donations**

18. Some donations to the charity may not be monetary, for example they may be in the form of goods and services, or land. We recognise, however, that such donations have a financial value and the same scrutiny and processes must be applied to non-monetary donations as they are for monetary donations.

### **Anonymous donations**

19. We recognise that occasionally a donor may prefer to remain anonymous, and UK charities are allowed to accept anonymous donations. However, we recognise that we must take particular care if accepting an anonymous donation to consider whether:
  - there are any suspicious circumstances relating to the donation;
  - it might breach any Kenyan laws or regulations; and
  - if a large value, whether we may need to report the donation to the Charity Commission.

## Refusing donations

20. The charity relies on donations to carry out our charitable purpose and our operational activities, and as such we would ordinarily accept the donations that are being made to support us. However, we recognise that there may be circumstances where it would not be lawful or appropriate to accept a donation.
21. Where the charity has any concerns about the lawfulness of the donation or of the funds being used to make the donation, we must refuse the donation. In such cases, we must report these concerns to the Charity Commission, following its serious incident reporting process: [Report a serious incident to the Charity Commission](#). We may need to take advice first. .
22. Additionally, we will not accept a donation where:
  - The donation is for purposes that fall outside of the charity's purposes;
  - The donation comes with conditions that may undermine the charity's independence;
  - The donation would result in unacceptable liabilities or financial costs that outweigh its benefit to the charity;
  - Accepting the donation might result in a valid legal claim or risk of claim against the charity;
  - The donation may involve unacceptable benefits to a third party or personal benefits to an individual within the charity; .
  - The donor does not have the mental ability to decide to donate;
  - The donation cannot legally be given to us, for example where the donor does not own the property that they are donating.
23. We also recognise that we must return a donation in certain circumstances, for example where:
  - a grant agreement that says that we must return any unused funds by a particular date; or
  - the funds cannot be used for the purpose for which they were given.
24. We may also make a decision to refuse a decision on ethical grounds or because of a perceived risk to our reputation.
25. Should a situation arise where we believe that a donation should be refused, the Director must seek authorisation from a sub-group of the Board of Trustees, comprising any four Trustees, to refuse the donation and to return the donation if payment has already been received. This authorisation may be sought and provided by email. A record of the refused donation, the decision to refuse it and the reasons for the decision must be made and kept.
26. If it is considered that any such decision should be reported to the Charity Commission, we will follow its serious incident reporting process: [Report a serious incident to the Charity Commission](#).

## Date of next review

27. This policy is due for review by 01/09/2025.